

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q**

(Mark One)

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

For the quarterly period ended June 30, 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 001-14157



**TELEPHONE AND DATA SYSTEMS, INC.**

(Exact name of Registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

36-2669023

(IRS Employer Identification No.)

**30 North LaSalle Street, Suite 4000, Chicago, Illinois 60602**

(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code: (312) 630-1900

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Shares, \$.01 par value	TDS	New York Stock Exchange
Depository Shares each representing a 1/1000th interest in a share of 6.625% Series UU Cumulative Redeemable Perpetual Preferred Stock, \$.01 par value	TDSPrU	New York Stock Exchange
6.625% Senior Notes due 2045	TDI	New York Stock Exchange
5.875% Senior Notes due 2061	TDA	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
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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 <input checked="" type="checkbox"/>	No <input type="checkbox"/>
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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 check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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The number of shares outstanding of each of the issuer's classes of common stock, as of June 30, 2021, is 107,441,800 Common Shares, \$.01 par value, and 7,303,600 Series A Common Shares, \$.01 par value.

Telephone and Data Systems, Inc.

Quarterly Report on Form 10-Q  
For the Period Ended June 30, 2021

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## Telephone and Data Systems, Inc. Management's Discussion and Analysis of Financial Condition and Results of Operations

### Executive Overview

The following discussion and analysis compares Telephone and Data Systems, Inc.'s (TDS) financial results for the three and six months ended June 30, 2021, to the three and six months ended June 30, 2020. It should be read in conjunction with TDS' interim consolidated financial statements and notes included herein, and with the description of TDS' business, its audited consolidated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) included in TDS' Annual Report on Form 10-K (Form 10-K) for the year ended December 31, 2020. Certain numbers included herein are rounded to millions for ease of presentation; however, certain calculated amounts and percentages are determined using the unrounded numbers.

This report contains statements that are not based on historical facts, including the words "believes," "anticipates," "estimates," "expects," "plans," "intends," "projects" and similar expressions. These statements constitute and represent "forward looking statements" as this term is defined in the Private Securities Litigation Reform Act of 1995. Such forward looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, events or developments to be significantly different from any future results, events or developments expressed or implied by such forward looking statements. See Private Securities Litigation Reform Act of 1995 Safe Harbor Cautionary Statement for additional information.

TDS uses certain "non-GAAP financial measures" and each such measure is identified in the MD&A. A discussion of the reason TDS determines these metrics to be useful and reconciliations of these measures to their most directly comparable measures determined in accordance with accounting principles generally accepted in the United States of America (GAAP) are included in the Supplemental Information Relating to Non-GAAP Financial Measures section within the MD&A of this Form 10-Q Report.

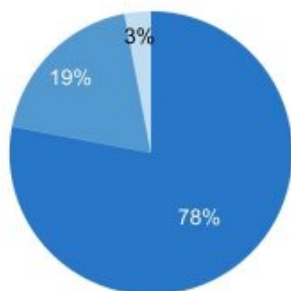
#### General

TDS is a diversified telecommunications company that provides high-quality communications services to approximately 6 million connections nationwide. TDS provides wireless services through its 82%-owned subsidiary, United States Cellular Corporation (UScellular). TDS also provides broadband, video and voice services through its wholly-owned subsidiaries, TDS Telecommunications LLC and TDS Broadband LLC (collectively, TDS Telecom). TDS operates entirely in the United States.

During the first quarter of 2021, TDS modified its reporting segment structure to combine its Wireline and Cable segments into a single reportable segment for TDS Telecom. TDS Telecom believes this presentation better articulates its progress and performance against its strategy, which includes a focus on overall broadband growth and future fiber deployment across its markets. This change also reflects TDS Telecom's progress in aligning its organizational, operational and support structures to leverage one cost base to better support its customers across all of its markets. Prior periods have been updated to conform to this revised presentation. See Note 13 — Business Segment Information in the Notes to Consolidated Financial Statements for additional information about TDS' segments.

The coronavirus (COVID-19) pandemic did not have a material impact on TDS' financial results for the three and six months ended June 30, 2021. The impact of COVID-19 on TDS' future financial results is uncertain, but is not projected to have a material impact. There are many factors, including the severity and duration of the outbreak, as well as other direct and indirect impacts, that could negatively impact TDS.

YTD 2021 Operating Revenues by Segment



■ UScellular    ■ TDS Telecom  
■ Other

## TDS Mission and Strategy

TDS' mission is to provide outstanding communications services to its customers and meet the needs of its shareholders, its people, and its communities. In pursuing this mission, TDS seeks to grow its businesses, create opportunities for its associates, support the communities it serves, and build value over the long-term for its shareholders. Across all of its businesses, TDS is focused on providing exceptional customer experiences through best-in-class services and products and superior customer service. Since its founding, TDS has been committed to bringing high-quality communications services to rural and underserved communities.

TDS' long-term strategy calls for the majority of its operating capital to be reinvested in its businesses to strengthen their competitive positions and financial performance, while also returning value to TDS shareholders primarily through the payment of a regular quarterly cash dividend.

TDS plans to build shareholder value by continuing to execute on its strategies to build strong, competitive businesses providing high-quality, data-focused services and products. Strategic efforts include:

- UScellular offers economical and competitively priced service plans and devices to its customers and is focused on increasing revenues from sales of related products such as accessories and device protection plans and from new services such as home internet. In addition, UScellular is focused on expanding its solutions available to business and government customers.
- UScellular continues to devote efforts to enhance its network capabilities, including by deploying 5G technology. 5G technology helps address customers' growing demand for data services and creates opportunities for new services requiring high speed and reliability as well as low latency. UScellular's 5G deployment is initially focused on mobility services using its low band spectrum. UScellular has acquired high-band spectrum and is in the process of acquiring mid-band spectrum, which it will deploy in the future to further enable the delivery of 5G services. UScellular has launched commercial 5G services in portions of substantially all of UScellular's markets and will continue to launch in additional areas in the coming years. In addition to the deployment of 5G technology, UScellular is also modernizing its 4G LTE network to further enhance 4G LTE speeds.
- UScellular assesses its existing wireless interests on an ongoing basis with a goal of improving the competitiveness of its operations and maximizing its long-term return on capital. As part of this strategy, UScellular actively seeks attractive opportunities to acquire wireless spectrum, including pursuant to FCC auctions.
- TDS Telecom strives to be the preferred broadband provider in its markets with the ability to provide value-added bundling with video and voice service options. TDS Telecom focuses on driving growth by investing in fiber deployment in its expansion markets, and its incumbent markets that have historically utilized copper and coaxial cable technologies.
- TDS Telecom may also seek to grow its operations through the acquisition of businesses that support and complement its existing markets or by creating entirely new clusters of markets in advantageous locations. TDS Telecom intends to avoid markets served by other fiber overbuilders or municipalities which have constructed their own networks with fiber to the home.

## Terms Used by TDS

The following is a list of definitions of certain industry terms that are used throughout this document:

- **4G LTE** – fourth generation Long-Term Evolution, which is a wireless technology that enables more network capacity for more data per user as well as faster access to data compared to third generation (3G) technology.
- **5G** – fifth generation wireless technology that helps address customers' growing demand for data services and creates opportunities for new services requiring high speed and reliability as well as low latency.
- **Account** – represents an individual or business financially responsible for one or multiple associated connections. An account may include a variety of types of connections such as handsets and connected devices.
- **Alternative Connect America Cost Model (A-CAM)** – a USF support mechanism for rate-of-return carriers, which provides revenue support through 2028. This support comes with an obligation to build defined broadband speeds to a certain number of locations.
- **Auctions 105, 107 and 110** – Auction 105 was an FCC auction of 3.5 GHz wireless spectrum licenses that started in July 2020 and concluded in September 2020. Auction 107 was an FCC auction of 3.7-3.98 GHz wireless spectrum licenses that started in December 2020 and concluded in February 2021. Auction 110 is an FCC auction of 3.45-3.55 GHz wireless spectrum licenses that is expected to start in October 2021.
- **Broadband Connections** – refers to the individual customers provided high-speed internet access through various transmission technologies, including fiber, DSL, dedicated internet circuit technologies or cable modem service.
- **Broadband Penetration** – metric which is calculated by dividing total broadband connections by total service addresses.
- **Churn Rate** – represents the percentage of the connections that disconnect service each month. These rates represent the average monthly churn rate for each respective period.
- **Connected Devices** – non-handset devices that connect directly to the UScellular network. Connected devices include products such as tablets, wearables, modems, and hotspots.
- **Coronavirus Aid, Relief, and Economic Security (CARES) Act** – economic relief package signed into law on March 27, 2020 to address the public health and economic impacts of COVID-19, including a variety of tax provisions.
- **EBITDA** – refers to earnings before interest, taxes, depreciation, amortization and accretion and is used in the non-GAAP metric Adjusted EBITDA throughout this document. See Supplemental Information Relating to Non-GAAP Financial Measures within this MD&A for additional information.
- **Expansion Markets** – markets utilizing fiber networks in areas where TDS does not serve as the incumbent service provider.
- **Free Cash Flow** – non-GAAP metric defined as Cash flows from operating activities less Cash paid for additions to property, plant and equipment. See Supplemental Information Relating to Non-GAAP Financial Measures within this MD&A for additional information.
- **Gross Additions** – represents the total number of new connections added during the period, without regard to connections that were terminated during that period.
- **Incumbent Markets** – markets where TDS is positioned as the traditional local telephone or cable company.
- **IPTV** – internet protocol television.
- **Net Additions (Losses)** – represents the total number of new connections added during the period, net of connections that were terminated during that period.
- **OIBDA** – refers to operating income before depreciation, amortization and accretion and is used in the non-GAAP metric Adjusted OIBDA throughout this document. See Supplemental Information Relating to Non-GAAP Financial Measures within this MD&A for additional information.
- **Postpaid Average Revenue per Account (Postpaid ARPA)** – metric which is calculated by dividing total postpaid service revenues by the average number of postpaid accounts and by the number of months in the period.
- **Postpaid Average Revenue per User (Postpaid ARPU)** – metric which is calculated by dividing total postpaid service revenues by the average number of postpaid connections and by the number of months in the period.
- **Residential Revenue per Connection** – metric which is calculated by dividing total residential revenue by the average number of residential connections and by the number of months in the period.
- **Retail Connections** – the sum of UScellular postpaid connections and UScellular prepaid connections.
- **Service Addresses** – number of single residence homes, multi-dwelling units, and business locations that are capable of being connected to the TDS network, based on best available information.
- **Universal Service Fund (USF)** – a system of telecommunications collected fees and support payments managed by the FCC intended to promote universal access to telecommunications services in the United States.
- **UScellular Connections** – individual lines of service associated with each device activated by a customer. Connections include all types of devices that connect directly to the UScellular network.
- **Video Connections** – represents the individual customers provided video services.
- **Voice Connections** – refers to the individual circuits connecting a customer to TDS' central office facilities that provide voice services or the billable number of lines into a building for voice services.

## Results of Operations — TDS Consolidated

	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	2021 vs. 2020	2021	2020	2021 vs. 2020
(Dollars in millions)						
<b>Operating revenues</b>						
UScellular	\$ 1,014	\$ 973	4 %	\$ 2,037	\$ 1,937	5 %
TDS Telecom	252	241	5 %	501	481	4 %
All other <sup>1</sup>	45	49	(8)%	91	106	(15)%
Total operating revenues	1,311	1,263	4 %	2,629	2,524	4 %
<b>Operating expenses</b>						
UScellular	978	920	6 %	1,917	1,833	5 %
TDS Telecom	224	210	7 %	441	422	5 %
All other <sup>1</sup>	51	55	(7)%	103	118	(14)%
Total operating expenses	1,253	1,185	6 %	2,461	2,373	4 %
<b>Operating income (loss)</b>						
UScellular	36	53	(32)%	120	104	16 %
TDS Telecom	28	31	(10)%	60	59	1 %
All other <sup>1</sup>	(6)	(6)	—	(12)	(12)	2 %
Total operating income	58	78	(26)%	168	151	12 %
<b>Investment and other income (expense)</b>						
Equity in earnings of unconsolidated entities	48	44	7 %	90	90	—
Interest and dividend income	3	2	40 %	6	8	(22)%
Interest expense	(86)	(38)	N/M	(138)	(75)	(85)%
Other, net	—	—	(11)%	(1)	(1)	10 %
Total investment and other income (expense)	(35)	8	N/M	(43)	22	N/M
<b>Income before income taxes</b>	23	86	(73)%	125	173	(28)%
Income tax expense (benefit)	(11)	8	N/M	20	12	62 %
<b>Net income</b>	34	78	(56)%	105	161	(35)%
Less: Net income attributable to noncontrolling interests, net of tax	7	13	(44)%	19	26	(26)%
<b>Net income attributable to TDS shareholders</b>	27	65	(59)%	86	135	(36)%
TDS Preferred Share dividends	7	—	N/M	9	—	N/M
<b>Net income attributable to TDS common shareholders</b>	\$ 20	\$ 65	(69)%	\$ 77	\$ 135	(43)%
Adjusted OIBDA (Non-GAAP) <sup>2</sup>	\$ 295	\$ 318	(7)%	\$ 632	\$ 629	1 %
Adjusted EBITDA (Non-GAAP) <sup>2</sup>	\$ 346	\$ 364	(5)%	\$ 727	\$ 726	—
Capital expenditures <sup>3</sup>	\$ 250	\$ 247	1 %	\$ 446	\$ 539	(17)%

N/M - Percentage change not meaningful

<sup>1</sup> Consists of corporate and other operations and intercompany eliminations.

<sup>2</sup> Refer to Supplemental Information Relating to Non-GAAP Financial Measures within this MD&A for a reconciliation of this measure.

<sup>3</sup> Refer to Liquidity and Capital Resources within this MD&A for additional information on Capital expenditures.

Refer to individual segment discussions in this MD&A for additional details on operating revenues and expenses at the segment level.

**Equity in earnings of unconsolidated entities**

Equity in earnings of unconsolidated entities represents TDS' share of net income from entities in which it has a noncontrolling interest and that are accounted for using the equity method. TDS' investment in the Los Angeles SMSA Limited Partnership (LA Partnership) contributed pretax income of \$22 million and \$20 million for the three months ended June 30, 2021 and 2020, respectively and \$41 million and \$42 million for the six months ended June 30, 2021 and 2020, respectively. See Note 8 — Investments in Unconsolidated Entities in the Notes to Consolidated Financial Statements for additional information.

**Interest expense**

Interest expense increased for the three and six months ended June 30, 2021, primarily as a result of (i) the write off of \$36 million of unamortized debt issuance costs related to \$525 million of TDS Senior Notes and \$575 million of UScellular Senior Notes that were redeemed during the three months ended June 30, 2021 and (ii) the issuance of \$500 million of 6.25% UScellular Senior Notes in August 2020 and \$500 million of 5.50% UScellular Senior Notes in both December 2020 and May 2021. See Note 9 — Debt in the Notes to Consolidated Financial Statements for additional information.

**Income tax expense**

The effective tax rate on Income before income taxes for the three months ended June 30, 2021 and 2020 was (48.9)% and 9.6%, respectively. The effective tax rate for the three months ended June 30, 2021 was lower due primarily to the reduction of tax accruals resulting from expirations of state statute of limitations for prior tax years. The decrease was partially offset by the income tax benefits of the CARES Act included in the 2020 tax rate, which do not recur as benefits in the 2021 tax rate.

The effective tax rate on Income before income taxes for the six months ended June 30, 2021 and 2020, was 15.5% and 6.9%, respectively. The effective tax rate for the six months ended June 30, 2021 was higher due primarily to the income tax benefits of the CARES Act included in the 2020 tax rate, which do not recur as benefits in the 2021 tax rate. The increase was partially offset by the reduction of tax accruals resulting from expirations of state statute of limitations for prior tax years.

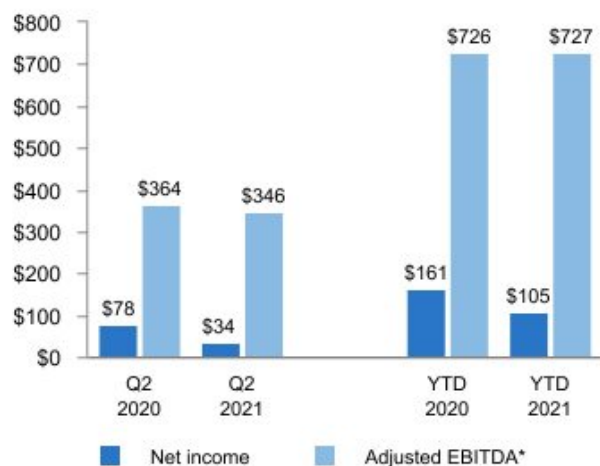
**Net income attributable to noncontrolling interests, net of tax**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
(Dollars in millions)				
UScellular noncontrolling public shareholders'	\$ 6	\$ 12	\$ 17	\$ 24
Noncontrolling shareholders' or partners'	1	1	2	2
Net income attributable to noncontrolling interests, net of tax	\$ 7	\$ 13	\$ 19	\$ 26

Net income attributable to noncontrolling interests, net of tax includes the noncontrolling public shareholders' share of UScellular's net income, the noncontrolling shareholders' or partners' share of certain UScellular subsidiaries' net income and other TDS noncontrolling interests.



**Earnings**  
(Dollars in millions)



**Three Months Ended**

Net income decreased due primarily to higher interest and operating expenses, partially offset by higher operating revenues and lower income taxes. Adjusted EBITDA decreased due primarily to higher operating expenses, partially offset by higher operating revenues.

**Six Months Ended**

Net income decreased due primarily to higher interest, operating, and income tax expenses, partially offset by higher operating revenues. Adjusted EBITDA increased due primarily to higher operating revenues, partially offset by higher operating expenses.

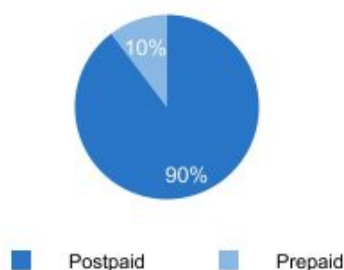
\*Represents a non-GAAP financial measure. Refer to Supplemental Information Relating to Non-GAAP Financial Measures within this MD&A for a reconciliation of this measure.

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## Operational Overview

**Retail Connections Composition**  
As of June 30, 2021



As of June 30,	2021	2020
<b>Retail Connections – End of Period</b>		
Postpaid	<b>4,399,000</b>	4,372,000
Prepaid	<b>507,000</b>	496,000
<b>Total</b>	<b>4,906,000</b>	4,868,000

	Q2 2021	Q2 2020	Q2 2021 vs. Q2 2020	YTD 2021	YTD 2020	YTD 2021 vs. YTD 2020
<b>Postpaid Activity and Churn</b>						
Gross Additions						
Handsets	<b>101,000</b>	85,000	19 %	<b>204,000</b>	175,000	17 %
Connected Devices	<b>40,000</b>	44,000	(9)%	<b>79,000</b>	86,000	(8)%
<b>Total Gross Additions</b>	<b>141,000</b>	129,000	9 %	<b>283,000</b>	261,000	8 %
Net Additions (Losses)						
Handsets	<b>(1,000)</b>	3,000	N/M	<b>(4,000)</b>	(17,000)	76 %
Connected Devices	<b>(5,000)</b>	9,000	N/M	<b>(8,000)</b>	3,000	N/M
<b>Total Net Additions (Losses)</b>	<b>(6,000)</b>	12,000	N/M	<b>(12,000)</b>	(14,000)	14 %
Churn						
Handsets	<b>0.88 %</b>	0.71 %		<b>0.90 %</b>	0.83 %	
Connected Devices	<b>2.69 %</b>	2.24 %		<b>2.61 %</b>	2.67 %	
<b>Total Churn</b>	<b>1.11 %</b>	0.89 %		<b>1.12 %</b>	1.05 %	

N/M - Percentage change not meaningful

Total postpaid handset net additions decreased for the three months ended June 30, 2021, when compared to the same period last year due primarily to an increase in defections resulting from higher consumer switching activity which was depressed in 2020 due to COVID-19. Partially offsetting the increase in defections was an increase in gross additions.

Total postpaid handset net losses decreased for the six months ended June 30, 2021, when compared to the same period last year due primarily to an increase in gross additions as a result of higher consumer switching activity in 2021, as well as a decrease in non-pay defections. Partially offsetting the decrease was an increase in voluntary defections.

Total postpaid connected device net additions decreased for the three and six months ended June 30, 2021, when compared to the same period last year, in substantial part, due to lower demand for internet related products as a result of a reduction in COVID-related funding vehicles, many of which are connected to government subsidies.

**Postpaid Revenue**

	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	2021 vs. 2020	2021	2020	2021 vs. 2020
Average Revenue Per User (ARPU)	\$ 47.74	\$ 46.24	3 %	\$ 47.70	\$ 46.72	2 %
Average Revenue Per Account (ARPA)	\$ 125.25	\$ 120.70	4 %	\$ 125.25	\$ 121.80	3 %

Postpaid ARPU and Postpaid ARPA increased for the three and six months ended June 30, 2021, when compared to the same period last year, due to (i) an increase in regulatory recovery revenues, (ii) favorable plan and product offering mix, (iii) an increase in device protection plan revenues, and (iv) an increase in overage fees which were waived in Q2 2020 to assist customers during the COVID-19 pandemic. These increases were partially offset by an increase in promotional discounts.

## Financial Overview - UScellular

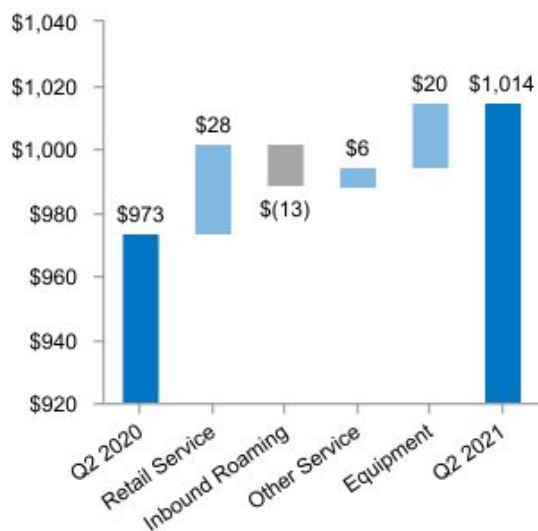
	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	2021 vs. 2020	2021	2020	2021 vs. 2020
(Dollars in millions)						
Retail service	\$ 686	\$ 658	4 %	\$ 1,371	\$ 1,329	3 %
Inbound roaming	28	41	(31)%	56	77	(27)%
Other	60	54	10 %	118	109	8 %
Service revenues	774	753	3 %	1,545	1,515	2 %
Equipment sales	240	220	9 %	492	422	17 %
Total operating revenues	1,014	973	4 %	2,037	1,937	5 %
System operations (excluding Depreciation, amortization and accretion reported below)						
Cost of equipment sold	204	197	4 %	389	377	3 %
Selling, general and administrative	258	218	19 %	533	435	23 %
Depreciation, amortization and accretion	334	323	3 %	639	659	(3)%
Depreciation, amortization and accretion	180	178	1 %	350	354	(2)%
(Gain) loss on asset disposals, net	2	4	(50)%	7	8	(9)%
(Gain) loss on sale of business and other exit costs, net	—	—	N/M	(1)	—	N/M
Total operating expenses	978	920	6 %	1,917	1,833	5 %
<b>Operating income</b>	<b>\$ 36</b>	<b>\$ 53</b>	<b>(32)%</b>	<b>\$ 120</b>	<b>\$ 104</b>	<b>16 %</b>
Net income	\$ 35	\$ 69	(49)%	\$ 97	\$ 141	(31)%
Adjusted OIBDA (Non-GAAP) <sup>1</sup>	\$ 218	\$ 235	(7)%	\$ 476	\$ 466	2 %
Adjusted EBITDA (Non-GAAP) <sup>1</sup>	\$ 267	\$ 280	(5)%	\$ 567	\$ 560	1 %
Capital expenditures <sup>2</sup>	\$ 148	\$ 168	(12)%	\$ 273	\$ 405	(33)%

N/M - Percentage change not meaningful

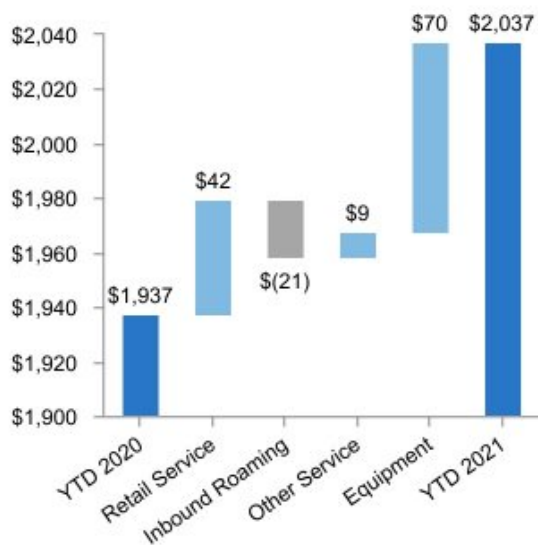
<sup>1</sup> Refer to Supplemental Information Relating to Non-GAAP Financial Measures within this MD&A for a reconciliation of this measure.

<sup>2</sup> Refer to Liquidity and Capital Resources within this MD&A for additional information on Capital expenditures.

**Operating Revenues**  
Three Months Ended June 30, 2021 and 2020  
(Dollars in millions)



**Operating Revenues**  
Six Months Ended June 30, 2021 and 2020  
(Dollars in millions)



**Service revenues consist of:**

- Retail Service - Charges for voice, data and value-added services and recovery of regulatory costs
- Inbound Roaming - Charges to other wireless carriers whose customers use UScellular's wireless systems when roaming
- Other Service - Amounts received from the Federal USF, tower rental revenues, and miscellaneous other service revenues

**Equipment revenues consist of:**

- Sales of wireless devices and related accessories to new and existing customers, agents, and third-party distributors

**Key components of changes in the statement of operations line items were as follows:**

## Total operating revenues

Retail service revenues increased for the three and six months ended June 30, 2021, primarily as a result of an increase in Postpaid ARPU as previously discussed in the Operational Overview section as well as an increase in the average number of postpaid subscribers.

Inbound roaming revenues decreased for the three and six months ended June 30, 2021, primarily driven by lower data revenues resulting from lower usage and lower rates. UScellular expects inbound roaming revenues to continue to decline during 2021 relative to prior year levels.

Other service revenues increased for the three and six months ended June 30, 2021, resulting from increases in tower rental revenues and miscellaneous other service revenues.

Equipment sales revenues increased for the three and six months ended June 30, 2021, due primarily to an increase in the volume of smartphone and accessory sales, partially offset by an increase in promotional activity.

In recent periods, wireless service providers have increased promotional aggressiveness to attract new customers and retain existing customers. Operating revenues and Operating income may be negatively impacted in future periods by the competitive need to offer increased promotional discounts to new and existing customers.

**System operations expenses**

System operations expenses increased for the three and six months ended June 30, 2021, due to higher circuit costs as well as an increase in cell site rent and maintenance expense.

**Cost of equipment sold**

Cost of equipment sold increased for the three and six months ended June 30, 2021, due primarily to an increase in the volume of smartphone and accessory sales.

**Selling, general and administrative expenses**

Selling, general and administrative expenses increased for the three months ended June 30, 2021, due primarily to increases in system development costs and Federal USF expense.

Selling, general and administrative expenses decreased for the six months ended June 30, 2021, due primarily to reductions in (i) bad debts expense driven by fewer non-pay customers as a result of better credit mix and improved customer payment behavior, and (ii) advertising expenses. This was partially offset by increases in system development costs and Federal USF expense.



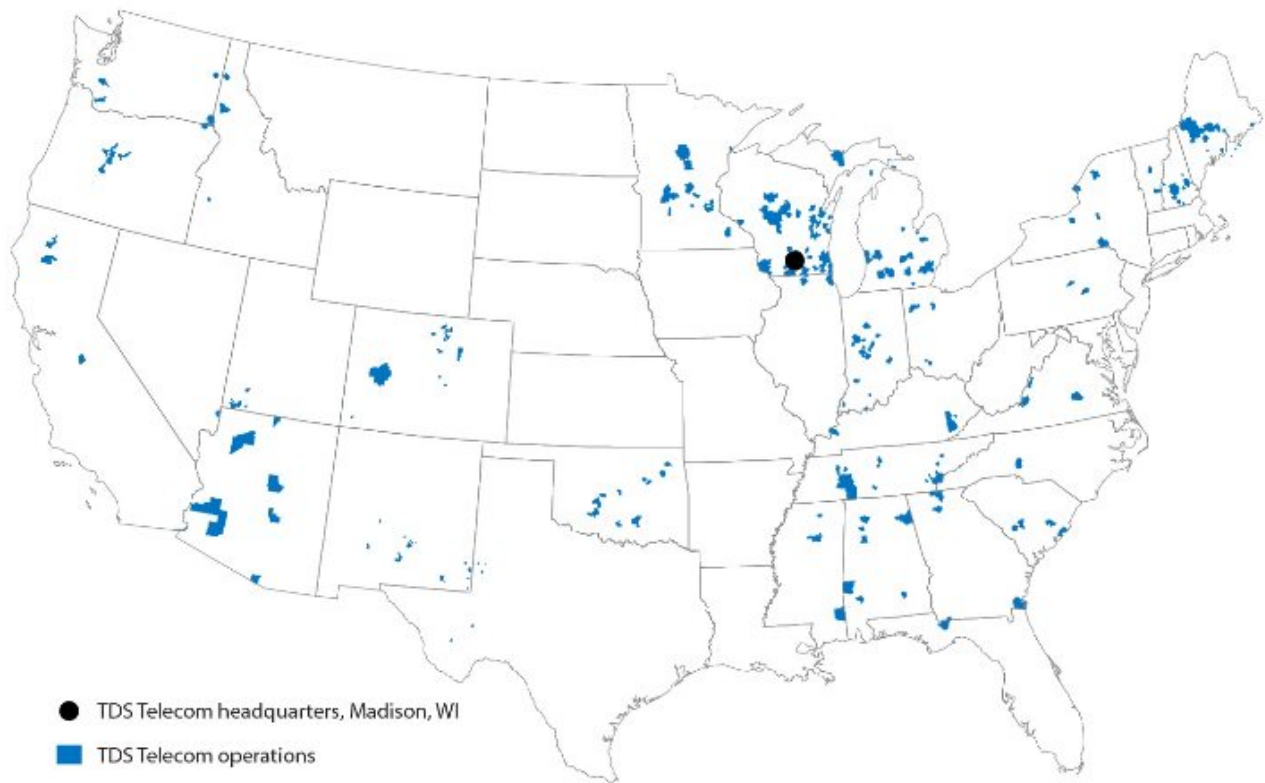


## TDS TELECOM OPERATIONS

### Business Overview

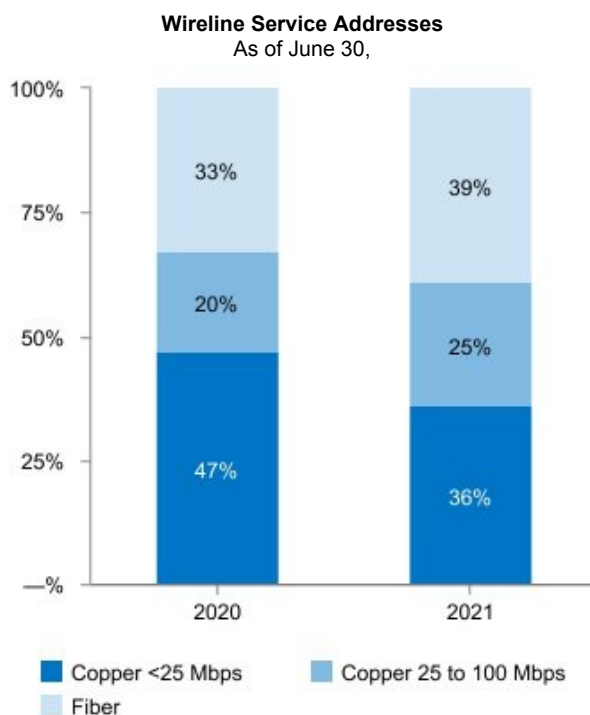
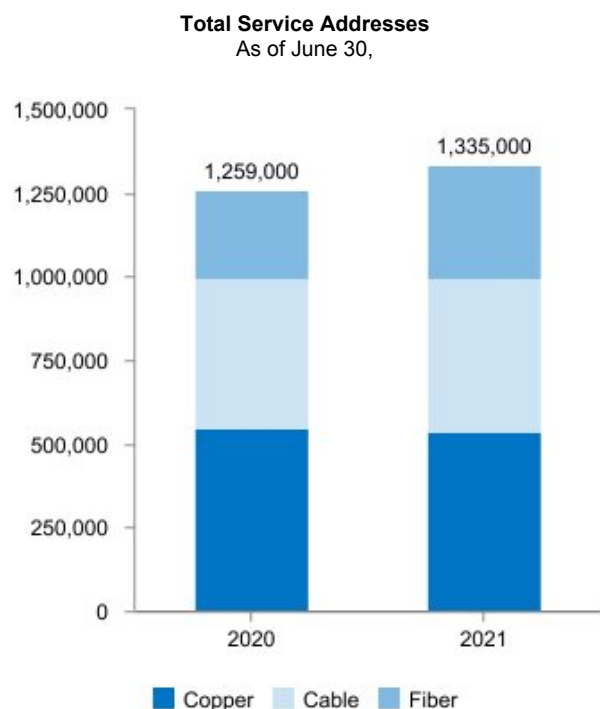
TDS Telecom owns, operates and invests in communications services in a mix of rural and metropolitan communities throughout the United States. TDS Telecom is a wholly-owned subsidiary of TDS and provides a wide range of broadband, video and voice communications services to residential, commercial and wholesale customers. TDS Telecom's strategy is to grow its customer base through market expansions and offering state-of-the-art services. The company invests in high-quality networks and provides excellent customer service, a key tenet of its long-standing mission.

### OPERATIONS



- Serves 1.2 million connections in 32 states
- Employs approximately 2,900 associates

## Operational Overview



TDS Telecom grew its service addresses 6% through network expansion and now offers 1Gig service to 56% of its total footprint.

TDS Telecom serves 39% of its wireline service addresses with fiber-to-the-home as of June 30, 2021, compared to 33% a year ago. Expansion markets have increased to 11% of wireline service addresses, up from 6% a year ago.

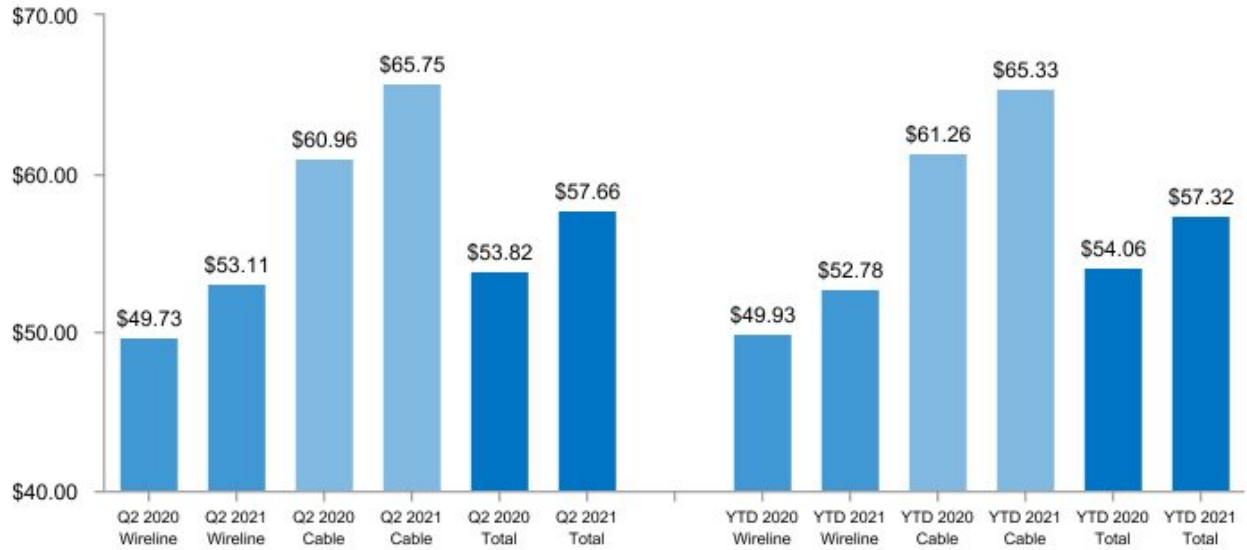
As of June 30,	2021	2020	2021 vs. 2020
<b>Residential connections</b>			
Broadband			
Wireline, Incumbent	249,200	240,400	4 %
Wireline, Expansion	28,300	14,700	92 %
Cable	201,200	191,000	5 %
<b>Total Broadband</b>	<b>478,700</b>	<b>446,000</b>	<b>7 %</b>
Video	143,200	144,600	(1)%
Voice	308,100	317,100	(3)%
<b>Total Residential Connections</b>	<b>930,100</b>	<b>907,800</b>	<b>2 %</b>
<b>Commercial connections</b>	<b>274,400</b>	<b>297,200</b>	<b>(8)%</b>
<b>Total connections</b>	<b>1,204,500</b>	<b>1,205,000</b>	<b>-</b>

Numbers may not foot due to rounding.

Total connections decreased slightly despite strong broadband connection growth due primarily to a decrease in legacy voice connections and competitive local exchange carrier (CLEC) commercial connections.

A majority of TDS Telecom's residential customers take advantage of bundling options as 64% of customers subscribe to more than one service.

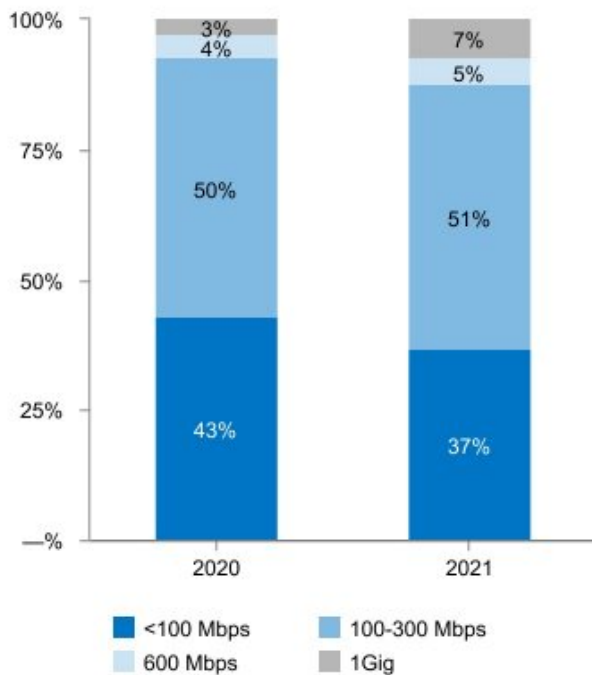
### Residential Revenue per Connection



Total residential revenue per connection increased 7% and 6% for the three and six months ended June 30, 2021, respectively, due to a higher concentration of broadband connection growth as well as an increase in broadband speeds and price increases. Cable residential revenue per connection exceeds wireline due to a higher mix of video connections.

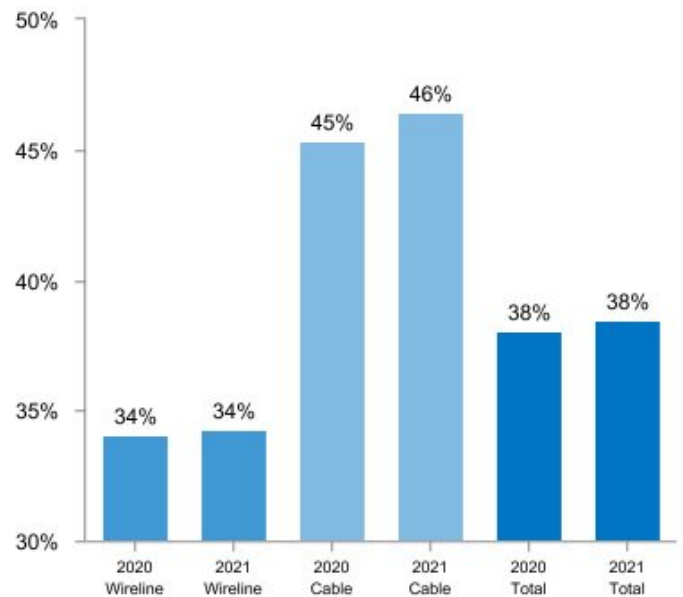
### Residential Broadband Connections by Speed

As of June 30,



### Broadband Penetration

As of June 30,



Residential broadband customers continue to choose higher speeds with 63% taking speeds of 100 Mbps or greater and 7% choosing 1Gig.

Broadband penetration has stayed steady due primarily to broadband connection growth as service addresses have grown 6%.

## Financial Overview - TDS Telecom

	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	2021 vs. 2020	2021	2020	2021 vs. 2020
(Dollars in millions)						
<b>Residential</b>						
Wireline, Incumbent	\$ 86	\$ 81	7 %	\$ 171	\$ 162	6 %
Wireline, Expansion	8	4	81 %	15	8	80 %
Cable	66	60	10 %	131	119	9 %
Total residential	160	145	10 %	317	289	10 %
Commercial	46	48	(4)%	93	98	(5)%
Wholesale	45	47	(3)%	91	94	(3)%
Total service revenues	251	240	5 %	500	480	4 %
Equipment revenues	—	—	5 %	1	1	7 %
Total operating revenues	252	241	5 %	501	481	4 %
<b>Cost of services (excluding Depreciation, amortization and accretion reported below)</b>						
	101	92	10 %	199	188	6 %
Cost of equipment and products	—	—	(12)%	—	—	(7)%
Selling, general and administrative	73	66	11 %	143	130	10 %
Depreciation, amortization and accretion	49	51	(5)%	98	103	(5)%
(Gain) loss on asset disposals, net	1	—	N/M	1	—	N/M
Total operating expenses	224	210	7 %	441	422	5 %
<b>Operating income</b>	<b>\$ 28</b>	<b>\$ 31</b>	<b>(10)%</b>	<b>\$ 60</b>	<b>59</b>	<b>1 %</b>
Net income	\$ 22	\$ 28	(22)%	\$ 46	56	(17)%
Adjusted OIBDA (Non-GAAP) <sup>1</sup>	\$ 78	\$ 82	(6)%	\$ 159	162	(2)%
Adjusted EBITDA (Non-GAAP) <sup>1</sup>	\$ 78	\$ 83	(7)%	\$ 158	165	(4)%
Capital expenditures <sup>2</sup>	\$ 99	\$ 75	33 %	\$ 169	128	32 %

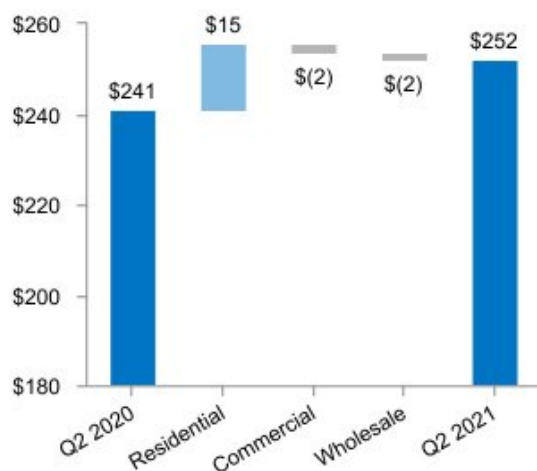
Numbers may not foot due to rounding.

N/M - Percentage change not meaningful

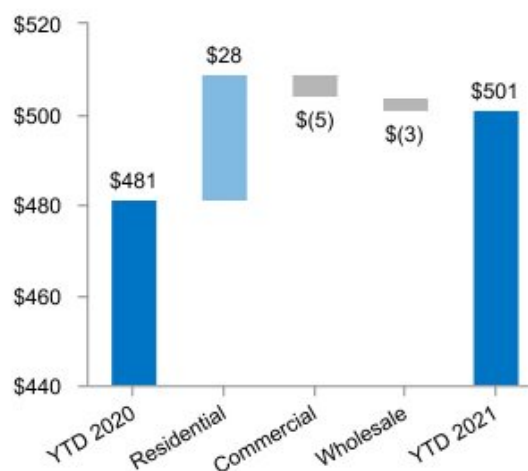
<sup>1</sup> Refer to Supplemental Information Relating to Non-GAAP Financial Measures within this MD&A for a reconciliation of this measure.

<sup>2</sup> Refer to Liquidity and Capital Resources within this MD&A for additional information on Capital expenditures.

**Operating Revenues**  
Three Months Ended June 30, 2021 and 2020  
(Dollars in millions)



**Operating Revenues**  
Six Months Ended June 30, 2021 and 2020  
(Dollars in millions)



**Residential revenues consist of:**

- Broadband services, including internet, security and support services
- Video services, including IPTV, traditional cable programming and satellite offerings
- Voice services

**Commercial revenues consist of:**

- High-speed and dedicated business internet services
- Video services
- Voice services

**Wholesale revenues consist of:**

- Network access services primarily to interexchange and wireless carriers for carrying data and voice traffic on TDS Telecom's networks
- Federal and state USF support, including A-CAM

**Key components of changes in the statement of operations items were as follows:**

**Total operating revenues**

Residential revenues increased for the three and six months ended June 30, 2021, due primarily to growth in broadband connections, price increases and federal universal service surcharges, partially offset by a decline in voice connections.

Commercial revenues decreased for the three and six months ended June 30, 2021, due primarily to declining connections in CLEC markets.

Wholesale revenues decreased for the three and six months ended June 30, 2021, due primarily to decreased access revenues.

**Cost of services**

Cost of services increased for the three and six months ended June 30, 2021, due primarily to higher employee expenses to support current and future growth, plant and maintenance costs, and increases in video programming costs, partially offset by a decrease in costs to provide legacy services and building expenses.

**Selling, general and administrative**

Selling, general and administrative expenses increased for the three and six months ended June 30, 2021, due primarily to higher employee and call center expenses to support current and future growth, increases to charges for federal universal service support, increased project costs associated with a new customer management system, and increased advertising expenses in TDS Telecom's expansion markets.

**Depreciation, amortization and accretion**

Depreciation, amortization and accretion decreased for the three and six months ended June 30, 2021, due primarily to certain assets becoming fully depreciated partially offset by higher depreciation due to increased capital expenditures on new fiber assets throughout 2020 and increased software amortization.

## Liquidity and Capital Resources

### Sources of Liquidity

TDS and its subsidiaries operate capital-intensive businesses. In the past, TDS' existing cash and investment balances, funds available under its revolving credit and receivables securitization agreements, funds from other financing sources, including term loans, other long-term debt, preferred share offerings, and cash flows from operating and certain investing and financing activities, including sales of assets or businesses, provided sufficient liquidity and financial flexibility for TDS to meet its normal day-to-day operating needs and debt service requirements, to finance the build-out and enhancement of markets and to fund acquisitions. There is no assurance that this will be the case in the future. See Market Risk for additional information regarding maturities of long-term debt.

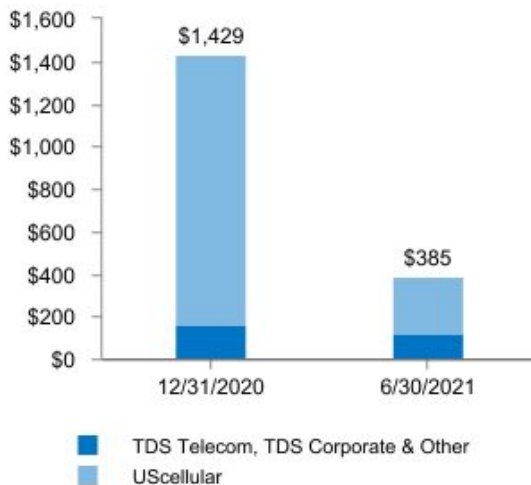
TDS has incurred negative free cash flow at times in the past and this could occur in the future. However, TDS believes that existing cash and investment balances, funds available under its revolving credit, term loan and receivables securitization agreements, expected future tax refunds and expected cash flows from operating and investing activities will provide sufficient liquidity for TDS to meet its normal day-to-day operating needs and debt service requirements for the coming years. TDS will continue to monitor the rapidly changing business and market conditions and plans to take appropriate actions, as necessary, to meet its liquidity needs.

TDS may require substantial additional capital for, among other uses, funding day-to-day operating needs including working capital, acquisitions of providers of telecommunications services, wireless spectrum license acquisitions, capital expenditures, agreements to purchase goods or services, leases, debt service requirements, the repurchase of shares, the payment of dividends, or making additional investments, including new technologies and fiber builds. It may be necessary from time to time to increase the size of the existing revolving credit agreements, to put in place new credit agreements, or to obtain other forms of financing in order to fund potential expenditures.

### Cash and Cash Equivalents

Cash and cash equivalents include cash and money market investments. The primary objective of TDS' Cash and cash equivalents investment activities is to preserve principal. TDS does not have direct access to UScellular cash.

**Cash and Cash Equivalents**  
(Dollars in millions)



The majority of TDS' Cash and cash equivalents are held in bank deposit accounts and in money market funds that purchase only debt issued by the U.S. Treasury or U.S. government agencies.





## Financing

### **Revolving Credit Agreements**

In March 2020, TDS entered into a \$400 million unsecured revolving credit agreement with certain lenders and other parties and UScellular entered into a \$300 million unsecured revolving credit agreement with certain lenders and other parties. Amounts under the revolving credit agreements may be borrowed, repaid and reborrowed from time to time until maturity in March 2025. During the three months ended June 30, 2021, TDS borrowed \$125 million under its revolving credit agreement. As of June 30, 2021, there were no outstanding borrowings under the UScellular revolving credit agreement. As of June 30, 2021, TDS' and UScellular's unused borrowing capacity was \$274 million and \$300 million, respectively.

In July 2021, TDS and UScellular amended and restated their revolving credit agreements. The maturity date of the agreements was extended to July 2026 and the consolidated leverage ratio, as defined in the agreements, may not be greater than 3.75 to 1.00 as of the end of any fiscal quarter. There were no significant changes to other terms of the revolving credit agreements.

### **Term Loan Agreements**

In January 2021, TDS borrowed \$75 million under its senior term loan credit agreement. In February 2021, UScellular borrowed \$217 million under its senior term loan credit agreement. As of June 30, 2021, TDS and UScellular have both borrowed the full amounts available under the senior term loan credit agreements of \$200 million and \$300 million, respectively.

In July 2021, TDS and UScellular amended and restated their term loan agreements to allow for additional borrowing capacity of \$300 million and \$200 million, respectively.

See Note 9 — Debt in the Notes to Consolidated Financial Statements for additional information related to the senior term loan agreements.

### **Receivables Securitization Agreement**

UScellular, through its subsidiaries, has a receivables securitization agreement to permit securitized borrowings using its equipment installment plan receivables. In March 2021, UScellular borrowed an additional \$275 million under its receivables securitization agreement. In June 2021, UScellular repaid \$200 million of the outstanding borrowing.

In June 2021, UScellular increased the borrowing capacity under the receivables securitization agreement to \$450 million. As of June 30, 2021, the outstanding borrowings under the agreement were \$100 million and the unused capacity under the agreement was \$350 million, subject to sufficient collateral to satisfy the asset borrowing base provisions of the agreement. Amounts under the receivables securitization agreement may be repaid and reborrowed from time to time until December 2022, which may be extended from time to time as specified therein. See Note 9 — Debt in the Notes to Consolidated Financial Statements for additional information related to the receivables securitization agreement.

In July 2021, UScellular amended the receivables securitization agreement. The consolidated leverage ratio, as defined in the agreement, may not be greater than 3.75 to 1.00 as of the end of any fiscal quarter. There were no significant changes to other terms of the receivable securitization agreement.

### **Financial Covenants**

TDS and UScellular believe they were in compliance with all of the financial covenants and requirements set forth in their revolving credit agreements, senior term loan credit agreements and receivables securitization agreement as of June 30, 2021.

### **Other Long-Term Financing**

In 2020, UScellular issued \$500 million of 6.25% Senior Notes due in 2069 and \$500 million of 5.5% Senior Notes due in March 2070. The proceeds from both issuances were for general corporate purposes, including but not limited to, the purchase of additional wireless spectrum licenses acquired in Auction 107, funding of capital expenditures, including in connection with 5G buildout projects and retirement of existing debt.

In March 2021, TDS issued 16,800 shares of 6.625% Series UU Cumulative Redeemable Perpetual Preferred Stock (Preferred Shares) for \$25,000 per Preferred Share, for total gross proceeds of \$420 million. The Preferred Shares were issued to a depository to facilitate the issuance of 16,800,000 depository shares (Depositary Shares), each representing 1/1,000th of a Preferred Share. TDS received net cash proceeds of \$406 million after payment of issuance costs of \$14 million. The proceeds were for general corporate purposes, including but not limited to, the funding of capital expenditures associated with TDS Telecom's fiber program and retirement of existing debt. See Note 12 — Shareholders' Equity in the Notes to Consolidated Financial Statements for additional information related to TDS' Preferred Shares.

In May 2021, TDS redeemed its outstanding \$225 million of 6.875% Senior Notes due 2059 and \$300 million of 7.0% Senior Notes due 2060, and UScellular redeemed its outstanding \$275 million of 7.25% Senior Notes due 2063. At time of redemption, \$26 million of interest expense was recorded related to unamortized debt issuance costs for these notes. The notes were redeemed at a price of 100% of the principal amount, including accrued and unpaid interest to the redemption date.

In May 2021, UScellular issued \$500 million of 5.5% Senior Notes due in June 2070. The proceeds from the issuance were used for general corporate purposes, including but not limited to, the repayment of other debt, the purchase of additional spectrum and the funding of capital expenditures, including in connection with 5G buildout projects.

In June 2021, UScellular redeemed its outstanding \$300 million of 7.25% Senior Notes due 2064. At time of redemption, \$10 million of interest expense was recorded related to unamortized debt issuance costs for these notes. The notes were redeemed at a price of 100% of the principal amount, including accrued and unpaid interest to the redemption date.

In August 2021, TDS announced that it will redeem its outstanding \$116 million of 6.625% Senior Notes due 2045 and UScellular announced that it will redeem its outstanding \$342 million of 6.95% Senior Notes due 2060. At time of redemption, \$14 million of interest expense will be recorded related to unamortized debt issuance costs related to the notes. The notes are expected to be redeemed on September 1, 2021, at a redemption price of 100% of the principal amount, including accrued and unpaid interest to the redemption date.

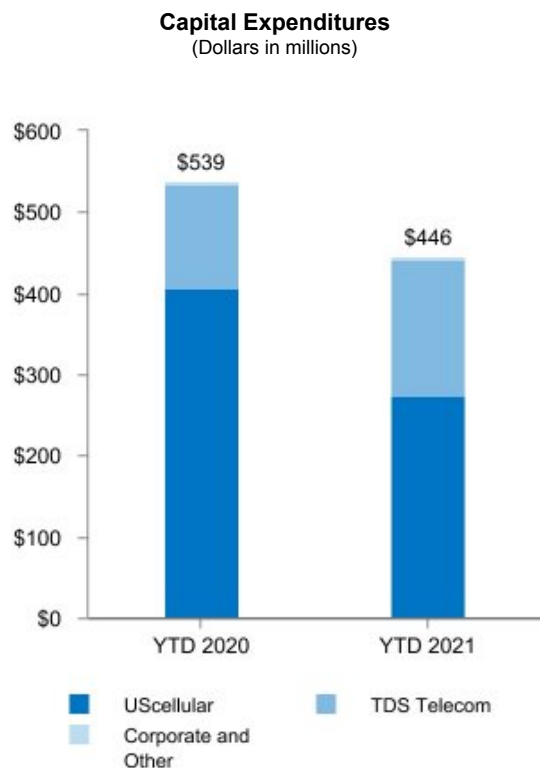
TDS and UScellular have in place effective shelf registration statements on Form S-3 to issue senior or subordinated securities, preferred shares and depositary shares.

### **Credit Ratings**

In August 2021, Moody's lowered its rating for UScellular's senior unsecured notes from Ba1 to Ba2. This downgrade is due primarily to the impact of the financing activities noted above that increase the capacity of debt facilities that are structurally senior to UScellular's senior unsecured notes.

## Capital Expenditures

Capital expenditures (i.e., additions to property, plant and equipment and system development expenditures; excludes wireless spectrum license additions), which include the effects of accruals and capitalized interest, for the six months ended June 30, 2021 and 2020, were as follows:



UScellular's capital expenditures for the six months ended June 30, 2021 and 2020, were \$273 million and \$405 million, respectively.

Capital expenditures for the full year 2021 are expected to be between \$775 million and \$875 million. These expenditures are expected to be used principally for the following purposes:

- Continue network modernization and 5G deployment;
- Enhance and maintain UScellular's network coverage, including providing additional speed and capacity to accommodate increased data usage by current customers; and
- Invest in information technology to support existing and new services and products.

TDS Telecom's capital expenditures for the six months ended June 30, 2021 and 2020, were \$169 million and \$128 million, respectively.

Capital expenditures for the full year 2021 are expected to be between \$425 million and \$475 million. These expenditures are expected to be used principally for the following purposes:

- Continue to expand fiber deployment;
- Maintain and enhance existing infrastructure including build-out requirements to meet state broadband and A-CAM programs;
- Upgrade broadband capacity and speeds; and
- Support success-based spending for broadband and video growth.

TDS intends to finance its capital expenditures for 2021 using primarily Cash flows from operating activities, existing cash balances and, if required, additional

debt financing from its revolving credit, term loan and receivables securitization agreements and/or other forms of financing.

### **Acquisitions, Divestitures and Exchanges**

TDS may be engaged from time to time in negotiations (subject to all applicable regulations) relating to the acquisition, divestiture or exchange of companies, properties, wireless spectrum licenses (including pursuant to FCC auctions) and other possible businesses. In general, TDS may not disclose such transactions until there is a definitive agreement.

### **Other Obligations**

TDS will require capital for future spending on existing contractual obligations, including long-term debt obligations; dividend obligations; lease commitments; commitments for device purchases, network facilities and transport services; agreements for software licensing; long-term marketing programs; Auction 107 relocation costs and accelerated relocation incentive payments; and other agreements to purchase goods or services.

### **Variable Interest Entities**

TDS consolidates certain “variable interest entities” as defined under GAAP. See Note 10 — Variable Interest Entities in the Notes to Consolidated Financial Statements for additional information related to these variable interest entities. TDS may elect to make additional capital contributions and/or advances to these variable interest entities in future periods in order to fund their operations.

### **Common Share Repurchase Programs**

During the six months ended June 30, 2021, TDS repurchased 162,500 Common Shares for \$3 million at an average cost per share of \$18.50. As of June 30, 2021, the maximum dollar value of TDS Common Shares that may yet be repurchased under TDS' program was \$182 million. For additional information related to the current TDS repurchase authorization, see Unregistered Sales of Equity Securities and Use of Proceeds.

During the six months ended June 30, 2021, UScellular repurchased 54,900 Common Shares for \$2 million at an average cost per share of \$29.52. As of June 30, 2021, the total cumulative amount of UScellular Common Shares authorized to be repurchased is 4,452,000.

### **Off-Balance Sheet Arrangements**

TDS had no transactions, agreements or other contractual arrangements with unconsolidated entities involving "off-balance sheet arrangements," as defined by SEC rules, that had or are reasonably likely to have a material current or future effect on its financial condition, results of operations, liquidity, capital expenditures or capital resources.

## Consolidated Cash Flow Analysis

TDS operates a capital-intensive business. TDS makes substantial investments to acquire wireless spectrum licenses and properties and to construct and upgrade communications networks and facilities as a basis for creating long-term value for shareholders. In recent years, rapid changes in technology and new opportunities have required substantial investments in potentially revenue-enhancing and cost-saving upgrades to TDS' networks. Cash flows may fluctuate from quarter to quarter and year to year due to seasonality, the timing of acquisitions and divestitures, capital expenditures and other factors. The following discussion summarizes TDS' cash flow activities for the six months ended June 30, 2021 and 2020.

### 2021 Commentary

TDS' Cash, cash equivalents and restricted cash decreased \$1,033 million. Net cash provided by operating activities was \$481 million due to net income of \$105 million adjusted for non-cash items of \$497 million and distributions received from unconsolidated entities of \$80 million, including \$32 million in distributions from the LA Partnership. This was partially offset by changes in working capital items which decreased net cash by \$201 million. The working capital changes were primarily influenced by the timing of vendor payments, increases in inventory, and the timing of annual associate bonus payments.

Cash flows used for investing activities were \$1,715 million. Cash paid for additions to property, plant and equipment totaled \$457 million. Cash payments for wireless spectrum license acquisitions were \$1,253 million.

Cash flows provided by financing activities were \$201 million, due primarily to the issuance of \$420 million of TDS Preferred Shares, the issuance of \$500 million of 5.5% UScellular Senior Notes, \$275 million borrowed under the UScellular receivables securitization agreement, \$217 million borrowed under the UScellular term loan, \$125 million borrowed under the TDS revolving credit agreement, and \$75 million borrowed under the TDS term loan. These were partially offset by the redemption of \$525 million of TDS Senior Notes, \$575 million of UScellular Senior Notes, a \$200 million repayment on the receivables securitization agreement, the payment of dividends and the payment of debt and equity issuance costs.

### 2020 Commentary

TDS' Cash, cash equivalents and restricted cash increased \$112 million. Net cash provided by operating activities was \$806 million due to net income of \$161 million adjusted for non-cash items of \$612 million and distributions received from unconsolidated entities of \$91 million, including \$43 million in distributions from the LA Partnership. This was offset by changes in working capital items which decreased net cash by \$58 million. The working capital changes were primarily influenced by tax impacts from the CARES Act and annual associate bonus payments, partially offset by the timing of vendor payments and collections of customer and agent receivables.

Cash flows used for investing activities were \$769 million. Cash paid for additions to property, plant and equipment totaled \$610 million. Cash payments for wireless spectrum license acquisitions were \$144 million.

Cash flows provided by financing activities were \$75 million, due primarily to cash received from the UScellular receivables securitization agreement and TDS term loan borrowing, partially offset by the repurchase of TDS and UScellular Common Shares and the payment of dividends.

## Consolidated Balance Sheet Analysis

The following discussion addresses certain captions in the consolidated balance sheet and changes therein. This discussion is intended to highlight the significant changes and is not intended to fully reconcile the changes. Notable balance sheet changes during 2021 were as follows:

### Inventory, net

Inventory, net increased \$35 million due primarily to an increase in the volume of inventory at UScellular.

### Licenses

Licenses increased \$1,288 million due primarily to wireless spectrum license rights acquired through Auction 107. See Note 7 — Intangible Assets in the Notes to Consolidated Financial Statements for additional information.

### Accounts payable

Accounts payable decreased \$134 million due primarily to vendor payment timing differences.

### Accrued compensation

Accrued compensation decreased \$40 million due primarily to associate bonus payments in March 2021.

### Long-term debt, net

The following table presents the components of the \$89 million decrease in Long-term debt, net:

	<b>Long-term debt, net</b>	
(Dollars in millions)		
Balance at December 31, 2020	\$	3,424
Borrowings under Revolving Credit Agreements		125
Borrowings under Term Loan Agreements		292
Borrowings under Receivables Securitization Agreement		275
Issuance of Senior Notes		500
Payment of debt issuance costs		(16)
Repayments under Receivables Securitization Agreement		(200)
Redemptions of Senior Notes		(1,100)
Debt issuance costs charged to interest expense		37
Other		(2)
Balance at June 30, 2021	\$	<u>3,335</u>

### Preferred Shares

Preferred Shares increased \$406 million due to the issuance of \$420 million of TDS Preferred Shares, net of issuance costs.

## Supplemental Information Relating to Non-GAAP Financial Measures

TDS sometimes uses information derived from consolidated financial information but not presented in its financial statements prepared in accordance with GAAP to evaluate the performance of its business. Specifically, TDS has referred to the following measures in this Form 10-Q Report:

- EBITDA
- Adjusted EBITDA
- Adjusted OIBDA
- Free cash flow

Certain of these measures are considered “non-GAAP financial measures” under U.S. Securities and Exchange Commission Rules. Following are explanations of each of these measures.

### EBITDA, Adjusted EBITDA and Adjusted OIBDA

EBITDA, Adjusted EBITDA and Adjusted OIBDA are defined as net income adjusted for the items set forth in the reconciliation below. EBITDA, Adjusted EBITDA and Adjusted OIBDA are not measures of financial performance under GAAP and should not be considered as alternatives to Net income or Cash flows from operating activities, as indicators of cash flows or as measures of liquidity. TDS does not intend to imply that any such items set forth in the reconciliation below are non-recurring, infrequent or unusual; such items may occur in the future.

Adjusted EBITDA is a segment measure reported to the chief operating decision maker for purposes of assessing the segments' performance. See Note 13 — Business Segment Information in the Notes to Consolidated Financial Statements for additional information.

Management uses Adjusted EBITDA and Adjusted OIBDA as measurements of profitability, and therefore reconciliations to applicable GAAP income measures are deemed appropriate. Management believes Adjusted EBITDA and Adjusted OIBDA are useful measures of TDS' operating results before significant recurring non-cash charges, gains and losses, and other items as presented below as they provide additional relevant and useful information to investors and other users of TDS' financial data in evaluating the effectiveness of its operations and underlying business trends in a manner that is consistent with management's evaluation of business performance. Adjusted EBITDA shows adjusted earnings before interest, taxes, depreciation, amortization and accretion, and gains and losses, while Adjusted OIBDA reduces this measure further to exclude Equity in earnings of unconsolidated entities and Interest and dividend income in order to more effectively show the performance of operating activities excluding investment activities. The following tables reconcile EBITDA, Adjusted EBITDA and Adjusted OIBDA to the corresponding GAAP measures, Net income and Operating income.

TDS - CONSOLIDATED	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
(Dollars in millions)				
<b>Net income (GAAP)</b>	\$ 34	\$ 78	\$ 105	\$ 161
Add back:				
Income tax expense (benefit)	(11)	8	20	12
Interest expense	86	38	138	75
Depreciation, amortization and accretion	234	236	457	470
EBITDA (Non-GAAP)	343	360	720	718
Add back or deduct:				
(Gain) loss on asset disposals, net	3	4	8	8
(Gain) loss on sale of business and other exit costs, net	—	—	(1)	—
Adjusted EBITDA (Non-GAAP)	346	364	727	726
Deduct:				
Equity in earnings of unconsolidated entities	48	44	90	90
Interest and dividend income	3	2	6	8
Other, net	—	—	(1)	(1)
Adjusted OIBDA (Non-GAAP)	295	318	632	629
Deduct:				
Depreciation, amortization and accretion	234	236	457	470
(Gain) loss on asset disposals, net	3	4	8	8
(Gain) loss on sale of business and other exit costs, net	—	—	(1)	—
<b>Operating income (GAAP)</b>	\$ 58	\$ 78	\$ 168	\$ 151



UScellular	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
(Dollars in millions)				
<b>Net income (GAAP)</b>	\$ 35	\$ 69	\$ 97	\$ 141
Add back:				
Income tax expense (benefit)	(10)	4	17	8
Interest expense	60	25	97	49
Depreciation, amortization and accretion	180	178	350	354
EBITDA (Non-GAAP)	265	276	561	552
Add back or deduct:				
(Gain) loss on asset disposals, net	2	4	7	8
(Gain) loss on sale of business and other exit costs, net	—	—	(1)	—
Adjusted EBITDA (Non-GAAP)	267	280	567	560
Deduct:				
Equity in earnings of unconsolidated entities	47	44	88	89
Interest and dividend income	2	1	3	5
Adjusted OIBDA (Non-GAAP)	218	235	476	466
Deduct:				
Depreciation, amortization and accretion	180	178	350	354
(Gain) loss on asset disposals, net	2	4	7	8
(Gain) loss on sale of business and other exit costs, net	—	—	(1)	—
<b>Operating income (GAAP)</b>	\$ 36	\$ 53	\$ 120	\$ 104

TDS TELECOM	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
(Dollars in millions)				
<b>Net income (GAAP)</b>	\$ 22	\$ 28	\$ 46	\$ 56
Add back:				
Income tax expense	7	5	15	8
Interest expense	(1)	(1)	(2)	(2)
Depreciation, amortization and accretion	49	51	98	103
EBITDA (Non-GAAP)	77	83	157	165
Add back or deduct:				
(Gain) loss on asset disposals, net	1	—	1	—
Adjusted EBITDA (Non-GAAP)	78	83	158	165
Deduct:				
Interest and dividend income	—	1	—	4
Other, net	—	—	—	(1)
Adjusted OIBDA (Non-GAAP)	78	82	159	162
Deduct:				
Depreciation, amortization and accretion	49	51	98	103
(Gain) loss on asset disposals, net	1	—	1	—
<b>Operating income (GAAP)</b>	\$ 28	\$ 31	\$ 60	\$ 59

Numbers may not foot due to rounding.

**Free Cash Flow**

The following table presents Free cash flow, which is defined as Cash flows from operating activities less Cash paid for additions to property, plant and equipment. Free cash flow is a non-GAAP financial measure which TDS believes may be useful to investors and other users of its financial information in evaluating liquidity, specifically, the amount of net cash generated by business operations after deducting Cash paid for additions to property, plant and equipment.

	<b>Six Months Ended June 30,</b>	
	<b>2021</b>	<b>2020</b>
(Dollars in millions)		
<b>Cash flows from operating activities (GAAP)</b>	<b>\$ 481</b>	<b>\$ 806</b>
Less: Cash paid for additions to property, plant and equipment	<b>457</b>	<b>610</b>
Free cash flow (Non-GAAP)	<b>\$ 24</b>	<b>\$ 196</b>

## Application of Critical Accounting Policies and Estimates

TDS prepares its consolidated financial statements in accordance with GAAP. TDS' significant accounting policies are discussed in detail in Note 1 — Summary of Significant Accounting Policies and Recent Accounting Pronouncements, Note 2 — Revenue Recognition and Note 10 — Leases in the Notes to Consolidated Financial Statements and TDS' Application of Critical Accounting Policies and Estimates is discussed in detail in Management's Discussion and Analysis of Financial Condition and Results of Operations, both of which are included in TDS' Form 10-K for the year ended December 31, 2020.

## Regulatory Matters

### 5G Fund

On October 27, 2020, the FCC adopted rules creating the 5G Fund for Rural America, which will distribute up to \$9 billion over ten years to bring 5G wireless broadband connectivity to rural America. The 5G Fund will be implemented through a two-phase competitive process, using multi-round auctions to award support. The winning bidders will be required to meet certain minimum speed requirements and interim and final deployment milestones. The order provides that the 5G Fund be in lieu of the previously proposed fund (the Phase II Connect America Mobility Fund) for the development of 4G LTE. The order also provides that over time a growing percentage of the legacy support a carrier receives must be used for 5G deployment.

UScellular cannot predict at this time when the 5G fund auction will occur, when the phase down period for its existing legacy support from the Federal USF will commence, or whether the 5G fund auction will provide opportunities to UScellular to offset any loss in existing support.

### FCC Rulemaking - Restoring Internet Freedom

In December 2017, the FCC approved rules reversing or revising decisions made in the FCC's 2015 Open Internet and Title II Order (Restoring Internet Freedom). The 2017 action reversed the FCC's 2015 decision to reclassify Broadband Internet Access Services as telecommunications services subject to regulation under Title II of the Telecommunications Act. The 2017 action also reversed the FCC's 2015 restrictions on blocking, throttling and paid prioritization, and modified transparency rules relating to such practices. Several parties filed suit in federal court challenging the 2017 actions. On October 1, 2019, the Court of Appeals for the D.C. Circuit issued an order reaffirming the FCC in most respects, but limiting the FCC's ability to preempt state and local net neutrality laws. On February 19, 2020, the FCC issued a Public Notice seeking comment on three issues under further consideration by the FCC based on a recent D.C. Circuit decision. On October 27, 2020, the FCC adopted an Order on Remand in response to the U.S. Court of Appeals for the D.C. Circuit's remand on the three issues under further consideration by the FCC and found no basis to alter the FCC's conclusions in the Restoring Internet Freedom Order.

A number of states, including certain states in which TDS operates, have adopted or considered laws intended to reinstate aspects of the foregoing net neutrality regulations that were reversed or revised by the FCC in 2017. To the extent such laws are enacted, it is expected that legal proceedings will be pursued challenging such laws, subject now to the DC Circuit ruling limiting the FCC's preemptive authority in this matter. The new administration may also conduct rulemaking proceedings that may reinstate, in some form, net neutrality rules. TDS cannot predict the outcome of any of these proceedings or the impact on its business.

### Spectrum Auctions

On March 2, 2020, the FCC released a Public Notice establishing procedures for an auction offering wireless spectrum licenses in the 3.5 GHz band (Auction 105). On September 2, 2020, the FCC announced by public notice that UScellular was the provisional winning bidder for 243 wireless spectrum licenses for a purchase price of \$14 million. The wireless spectrum licenses have not yet been granted by the FCC.

On August 7, 2020, the FCC released a Public Notice establishing procedures for an auction offering wireless spectrum licenses in the 3.7-3.98 GHz bands (Auction 107). On February 24, 2021, the FCC announced by public notice that UScellular was the provisional winning bidder for 254 wireless spectrum licenses for \$1,283 million. UScellular paid \$30 million of this amount in 2020 and the remainder in March 2021. The wireless spectrum licenses from Auction 107 were granted by the FCC in July 2021. Additionally, UScellular expects to be obligated to pay approximately \$178 million in total from 2021 through 2024 related to relocation costs and accelerated relocation incentive payments. Such additional costs were accrued and capitalized at the time the licenses were granted, which occurred after the period ended June 30, 2021. The spectrum must be cleared by incumbent providers before UScellular can access it. UScellular does not expect to have access to this spectrum until late 2023. Combined with prior mid-band purchases in Auction 105, UScellular will have mid-band spectrum in nearly all of its operating footprint, covering approximately 95% of subscribers.

On June 9, 2021, the FCC released a Public Notice establishing procedures for an auction offering wireless spectrum licenses in the 3.45-3.55 GHz band (Auction 110). UScellular filed an application to participate in Auction 110 on July 19, 2021. Upfront payments are due on September 2, 2021 and bidding will commence on October 5, 2021.

## Private Securities Litigation Reform Act of 1995 Safe Harbor Cautionary Statement

This Form 10-Q, including exhibits, contains statements that are not based on historical facts and represent forward-looking statements, as this term is defined in the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, that address activities, events or developments that TDS intends, expects, projects, believes, estimates, plans or anticipates will or may occur in the future are forward-looking statements. The words “believes,” “anticipates,” “estimates,” “expects,” “plans,” “intends,” “projects” and similar expressions are intended to identify these forward-looking statements, but are not the exclusive means of identifying them. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, events or developments to be significantly different from any future results, events or developments expressed or implied by such forward-looking statements. Such risks, uncertainties and other factors include, but are not limited to, those set forth below, as more fully described under “Risk Factors” in TDS’ Form 10-K for the year ended December 31, 2020 and in this Form 10-Q. Each of the following risks could have a material adverse effect on TDS’ business, financial condition or results of operations. However, such factors are not necessarily all of the important factors that could cause actual results, performance or achievements to differ materially from those expressed in, or implied by, the forward-looking statements contained in this document. Other unknown or unpredictable factors also could have material adverse effects on future results, performance or achievements. TDS undertakes no obligation to update publicly any forward-looking statements whether as a result of new information, future events or otherwise. You should carefully consider the Risk Factors in TDS’ Form 10-K for the year ended December 31, 2020, the following factors and other information contained in, or incorporated by reference into, this Form 10-Q to understand the material risks relating to TDS’ business, financial condition or results of operations.

### Operational Risk Factors

- *Intense competition involving products, services, pricing, and network speed and technologies could adversely affect TDS’ revenues or increase its costs to compete.*
- *Changes in roaming practices or other factors could cause TDS’ roaming revenues to decline from current levels, roaming expenses to increase from current levels and/or impact TDS’ ability to service its customers in geographic areas where TDS does not have its own network, which could have an adverse effect on TDS’ business, financial condition or results of operations.*
- *A failure by TDS to obtain access to adequate radio spectrum to meet current or anticipated future needs and/or to accurately predict future needs for radio spectrum could have an adverse effect on TDS’ business, financial condition or results of operations.*
- *An inability to attract people of outstanding talent throughout all levels of the organization, to develop their potential through education and assignments, and to retain them by keeping them engaged, challenged and properly rewarded could have an adverse effect on TDS’ business, financial condition or results of operations.*
- *TDS’ smaller scale relative to larger competitors that may have greater financial and other resources than TDS could cause TDS to be unable to compete successfully, which could adversely affect its business, financial condition or results of operations.*
- *Changes in various business factors, including changes in demand, consumer preferences and perceptions, price competition, churn from customer switching activity and other factors, could have an adverse effect on TDS’ business, financial condition or results of operations.*
- *Advances or changes in technology could render certain technologies used by TDS obsolete, could put TDS at a competitive disadvantage, could reduce TDS’ revenues or could increase its costs of doing business.*
- *Complexities associated with deploying new technologies present substantial risk and TDS’ investments in unproven technologies may not produce the benefits that TDS expects.*
- *Costs, integration problems or other factors associated with acquisitions, divestitures or exchanges of properties or wireless spectrum licenses and/or expansion of TDS’ businesses could have an adverse effect on TDS’ business, financial condition or results of operations.*
- *A failure by TDS to complete significant network construction and systems implementation activities as part of its plans to improve the quality, coverage, capabilities and capacity of its network, support and other systems and infrastructure could have an adverse effect on its operations.*
- *Difficulties involving third parties with which TDS does business, including changes in TDS’ relationships with or financial or operational difficulties of key suppliers or independent agents and third party national retailers who market TDS’ services, could adversely affect TDS’ business, financial condition or results of operations.*
- *A failure by TDS to maintain flexible and capable telecommunication networks or information technology, or a material disruption thereof, could have an adverse effect on TDS’ business, financial condition or results of operations.*

### Financial Risk Factors

- *Uncertainty in TDS' future cash flow and liquidity or the inability to access capital, deterioration in the capital markets, other changes in TDS' performance or market conditions, changes in TDS' credit ratings or other factors could limit or restrict the availability of financing on terms and prices acceptable to TDS, which could require TDS to reduce its construction, development or acquisition programs, reduce the amount of wireless spectrum licenses acquired, and/or reduce or cease share repurchases and/or the payment of dividends.*
- *TDS has a significant amount of indebtedness which could adversely affect its financial performance and in turn adversely affect its ability to make payments on its indebtedness, comply with terms of debt covenants and incur additional debt.*
- *TDS' assets and revenue are concentrated primarily in the U.S. telecommunications industry. Consequently, its operating results may fluctuate based on factors related primarily to conditions in this industry.*
- *TDS has significant investments in entities that it does not control. Losses in the value of such investments could have an adverse effect on TDS' financial condition or results of operations.*

### Regulatory, Legal and Governance Risk Factors

- *Failure by TDS to timely or fully comply with any existing applicable legislative and/or regulatory requirements or changes thereto could adversely affect TDS' business, financial condition or results of operations.*
- *TDS receives significant regulatory support, and is also subject to numerous surcharges and fees from federal, state and local governments – the applicability and the amount of the support and fees are subject to great uncertainty, including the ability to pass through certain fees to customers, and this uncertainty could have an adverse effect on TDS' business, financial condition or results of operations.*
- *Settlements, judgments, restraints on its current or future manner of doing business and/or legal costs resulting from pending and future litigation could have an adverse effect on TDS' business, financial condition or results of operations.*
- *The possible development of adverse precedent in litigation or conclusions in professional studies to the effect that radio frequency emissions from wireless devices and/or cell sites cause harmful health consequences, including cancer or tumors, or may interfere with various electronic medical devices such as pacemakers, could have an adverse effect on TDS' wireless business, financial condition or results of operations.*
- *Claims of infringement of intellectual property and proprietary rights of others, primarily involving patent infringement claims, could prevent TDS from using necessary technology to provide products or services or subject TDS to expensive intellectual property litigation or monetary penalties, which could have an adverse effect on TDS' business, financial condition or results of operations.*
- *Certain matters, such as control by the TDS Voting Trust and provisions in the TDS Restated Certificate of Incorporation, may serve to discourage or make more difficult a change in control of TDS or have other consequences.*

### General Risk Factors

- *TDS has experienced, and in the future expects to experience, cyber-attacks or other breaches of network or information technology security of varying degrees on a regular basis, which could have an adverse effect on TDS' business, financial condition or results of operations.*
- *Disruption in credit or other financial markets, a deterioration of U.S. or global economic conditions or other events could, among other things, impede TDS' access to or increase the cost of financing its operating and investment activities and/or result in reduced revenues and lower operating income and cash flows, which would have an adverse effect on TDS' business, financial condition or results of operations.*
- *The impact of public health emergencies, such as the COVID-19 pandemic, on TDS' business is uncertain, but depending on duration and severity could have a material adverse effect on TDS' business, financial condition or results of operations.*

## Risk Factors

In addition to the information set forth in this Form 10-Q, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in TDS' Annual Report on Form 10-K for the year ended December 31, 2020, which could materially affect TDS' business, financial condition or future results. The risks described in this Form 10-Q and the Form 10-K for the year ended December 31, 2020, may not be the only risks that could affect TDS. Additional unidentified or unrecognized risks and uncertainties could materially adversely affect TDS' business, financial condition and/or operating results. Subject to the foregoing, TDS has not identified for disclosure any material changes to the risk factors as previously disclosed in TDS' Annual Report on Form 10-K for the year ended December 31, 2020.

## Quantitative and Qualitative Disclosures about Market Risk

### Market Risk

The following table presents the scheduled principal payments on long-term debt, finance lease obligations, and the related weighted average interest rates by maturity dates at June 30, 2021.

	Principal Payments Due by Period	
	Long-Term Debt Obligations <sup>1</sup>	Weighted-Avg. Interest Rates on Long-Term Debt Obligations <sup>2</sup>
(Dollars in millions)		
Remainder of 2021	\$ 4	2.7 %
2022	105	1.3 %
2023	5	2.4 %
2024	5	2.4 %
2025	130	1.6 %
Thereafter	3,181	5.6 %
<b>Total</b>	<b>\$ 3,430</b>	<b>5.3 %</b>

<sup>1</sup> The total long-term debt obligation differs from Long-term debt in the Consolidated Balance Sheet due to unamortized debt issuance costs on all non-revolving debt instruments and unamortized discounts related to UScellular's 6.7% Senior Notes.

<sup>2</sup> Represents the weighted average stated interest rates at June 30, 2021, for debt maturing in the respective periods

See Note 3 — Fair Value Measurements in the Notes to Consolidated Financial Statements for additional information related to the fair value of TDS' Long-term debt as of June 30, 2021.

## Financial Statements

### Telephone and Data Systems, Inc. Consolidated Statement of Operations (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
(Dollars and shares in millions, except per share amounts)				
<b>Operating revenues</b>				
Service	\$ 1,049	\$ 1,016	\$ 2,091	\$ 2,042
Equipment and product sales	262	247	538	482
Total operating revenues	1,311	1,263	2,629	2,524
<b>Operating expenses</b>				
Cost of services (excluding Depreciation, amortization and accretion reported below)	324	306	623	599
Cost of equipment and products	276	241	570	487
Selling, general and administrative	416	398	804	809
Depreciation, amortization and accretion	234	236	457	470
(Gain) loss on asset disposals, net	3	4	8	8
(Gain) loss on sale of business and other exit costs, net	—	—	(1)	—
Total operating expenses	1,253	1,185	2,461	2,373
<b>Operating income</b>	<b>58</b>	<b>78</b>	<b>168</b>	<b>151</b>
<b>Investment and other income (expense)</b>				
Equity in earnings of unconsolidated entities	48	44	90	90
Interest and dividend income	3	2	6	8
Interest expense	(86)	(38)	(138)	(75)
Other, net	—	—	(1)	(1)
Total investment and other income (expense)	(35)	8	(43)	22
<b>Income before income taxes</b>	<b>23</b>	<b>86</b>	<b>125</b>	<b>173</b>
Income tax expense (benefit)	(11)	8	20	12
<b>Net income</b>	<b>34</b>	<b>78</b>	<b>105</b>	<b>161</b>
Less: Net income attributable to noncontrolling interests, net of tax	7	13	19	26
<b>Net income attributable to TDS shareholders</b>	<b>27</b>	<b>65</b>	<b>86</b>	<b>135</b>
TDS Preferred Share dividends	7	—	9	—
<b>Net income attributable to TDS common shareholders</b>	<b>\$ 20</b>	<b>\$ 65</b>	<b>\$ 77</b>	<b>\$ 135</b>
<b>Basic weighted average shares outstanding</b>	<b>115</b>	<b>114</b>	<b>115</b>	<b>115</b>
<b>Basic earnings per share attributable to TDS common shareholders</b>	<b>\$ 0.18</b>	<b>\$ 0.57</b>	<b>\$ 0.67</b>	<b>\$ 1.18</b>
<b>Diluted weighted average shares outstanding</b>	<b>116</b>	<b>115</b>	<b>116</b>	<b>115</b>
<b>Diluted earnings per share attributable to TDS common shareholders</b>	<b>\$ 0.17</b>	<b>\$ 0.56</b>	<b>\$ 0.65</b>	<b>\$ 1.15</b>

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

**Telephone and Data Systems, Inc.**  
**Consolidated Statement of Comprehensive Income**  
**(Unaudited)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
(Dollars in millions)				
<b>Net income</b>	<b>\$ 34</b>	<b>\$ 78</b>	<b>\$ 105</b>	<b>\$ 161</b>
Net change in accumulated other comprehensive income				
Change related to retirement plan				
Amounts included in net periodic benefit cost for the period				
Amortization of prior service cost	1	1	1	2
<b>Comprehensive income</b>	<b>35</b>	<b>79</b>	<b>106</b>	<b>163</b>
Less: Net income attributable to noncontrolling interests, net of tax	7	13	19	26
<b>Comprehensive income attributable to TDS shareholders</b>	<b>\$ 28</b>	<b>\$ 66</b>	<b>\$ 87</b>	<b>\$ 137</b>

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



**Telephone and Data Systems, Inc.**  
**Consolidated Statement of Cash Flows**  
**(Unaudited)**

	Six Months Ended June 30,	
	2021	2020
(Dollars in millions)		
<b>Cash flows from operating activities</b>		
Net income	\$ 105	\$ 161
Add (deduct) adjustments to reconcile net income to net cash flows from operating activities		
Depreciation, amortization and accretion	457	470
Bad debts expense	22	48
Stock-based compensation expense	24	25
Deferred income taxes, net	40	150
Equity in earnings of unconsolidated entities	(90)	(90)
Distributions from unconsolidated entities	80	91
(Gain) loss on asset disposals, net	8	8
(Gain) loss on sale of business and other exit costs, net	(1)	—
Other operating activities	37	1
Changes in assets and liabilities from operations		
Accounts receivable	37	21
Equipment installment plans receivable	(32)	22
Inventory	(35)	15
Accounts payable	(106)	49
Customer deposits and deferred revenues	6	(8)
Accrued taxes	(25)	(115)
Accrued interest	(3)	—
Other assets and liabilities	(43)	(42)
Net cash provided by operating activities	<u>481</u>	<u>806</u>
<b>Cash flows from investing activities</b>		
Cash paid for additions to property, plant and equipment	(457)	(610)
Cash paid for intangible assets	(1,264)	(144)
Cash received from investments	3	1
Cash paid for investments	—	(1)
Cash received from divestitures and exchanges	1	1
Advance payments for license acquisitions	—	(16)
Other investing activities	2	—
Net cash used in investing activities	<u>(1,715)</u>	<u>(769)</u>
<b>Cash flows from financing activities</b>		
Issuance of long-term debt	1,192	175
Repayment of long-term debt	(1,301)	(5)
Issuance of TDS Preferred Shares	420	—
TDS Common Shares reissued for benefit plans, net of tax payments	(5)	(3)
UScellular Common Shares reissued for benefit plans, net of tax payments	(13)	(8)
Repurchase of TDS Common Shares	(3)	(14)
Repurchase of UScellular Common Shares	(2)	(23)
Dividends paid to TDS shareholders	(49)	(39)
Payment of debt and equity issuance costs	(30)	(7)
Distributions to noncontrolling interests	(2)	(1)
Other financing activities	(6)	—
Net cash provided by financing activities	<u>201</u>	<u>75</u>
<b>Net increase (decrease) in cash, cash equivalents and restricted cash</b>	<b>(1,033)</b>	<b>112</b>
<b>Cash, cash equivalents and restricted cash</b>		
Beginning of period	1,452	474
End of period	<u>\$ 419</u>	<u>\$ 586</u>

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

**Telephone and Data Systems, Inc.**  
**Consolidated Balance Sheet — Assets**  
**(Unaudited)**

	June 30, 2021	December 31, 2020
(Dollars in millions)		
<b>Current assets</b>		
Cash and cash equivalents	\$ 385	\$ 1,429
Short-term investments	—	3
Accounts receivable		
Customers and agents, less allowances of \$59 and \$67, respectively	976	1,004
Other, less allowances of \$3 and \$2, respectively	96	108
Inventory, net	189	154
Prepaid expenses	108	105
Income taxes receivable	187	187
Other current assets	50	36
Total current assets	<u>1,991</u>	<u>3,026</u>
<b>Assets held for sale</b>	<b>3</b>	<b>2</b>
<b>Licenses</b>	<b>3,926</b>	<b>2,638</b>
<b>Goodwill</b>	<b>547</b>	<b>547</b>
<b>Other intangible assets, net of accumulated amortization of \$81 and \$71, respectively</b>	<b>207</b>	<b>213</b>
<b>Investments in unconsolidated entities</b>	<b>487</b>	<b>477</b>
<b>Property, plant and equipment</b>		
In service and under construction	13,857	13,659
Less: Accumulated depreciation and amortization	9,885	9,687
Property, plant and equipment, net	<u>3,972</u>	<u>3,972</u>
<b>Operating lease right-of-use assets</b>	<b>1,021</b>	<b>998</b>
<b>Other assets and deferred charges</b>	<b>626</b>	<b>652</b>
<b>Total assets<sup>1</sup></b>	<b>\$ <u>12,780</u></b>	<b>\$ <u>12,525</u></b>

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

**Telephone and Data Systems, Inc.**  
**Consolidated Balance Sheet — Liabilities and Equity**  
**(Unaudited)**

June 30, 2021

December 31, 2020

(Dollars and shares in millions, except per share amounts)

	June 30, 2021	December 31, 2020
<b>Current liabilities</b>		
Current portion of long-term debt	\$ 6	\$ 5
Accounts payable	374	508
Customer deposits and deferred revenues	199	193
Accrued interest	13	16
Accrued taxes	66	69
Accrued compensation	92	132
Short-term operating lease liabilities	138	129
Other current liabilities	98	101
Total current liabilities	986	1,153
<b>Liabilities held for sale</b>	<b>—</b>	<b>1</b>
<b>Deferred liabilities and credits</b>		
Deferred income tax liability, net	903	863
Long-term operating lease liabilities	951	940
Other deferred liabilities and credits	538	541
<b>Long-term debt, net</b>	<b>3,335</b>	<b>3,424</b>
<b>Commitments and contingencies</b>		
<b>Noncontrolling interests with redemption features</b>	<b>10</b>	<b>10</b>
<b>Equity</b>		
TDS shareholders' equity		
Series A Common and Common Shares		
Authorized 290 shares (25 Series A Common and 265 Common Shares)		
Issued 133 shares (7 Series A Common and 126 Common Shares)		
Outstanding 115 shares (7 Series A Common and 108 Common Shares) and 114 shares (7 Series A Common and 107 Common Shares), respectively		
Par Value (\$0.01 per share)	1	1
Capital in excess of par value	2,462	2,482
Preferred Shares, par value \$0.01 per share, \$25,000 liquidation preference per share, .017 shares outstanding	406	—
Treasury shares, at cost, 18 and 19 Common Shares, respectively	(458)	(477)
Accumulated other comprehensive loss	(2)	(4)
Retained earnings	2,812	2,802
Total TDS shareholders' equity	5,221	4,804
Noncontrolling interests	836	789
Total equity	6,057	5,593
<b>Total liabilities and equity<sup>1</sup></b>	<b>\$ 12,780</b>	<b>\$ 12,525</b>

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

<sup>1</sup> The consolidated total assets as of June 30, 2021 and December 31, 2020, include assets held by consolidated variable interest entities (VIEs) of \$1,240 million and \$1,042 million, respectively, which are not available to be used to settle the obligations of TDS. The consolidated total liabilities as of June 30, 2021 and December 31, 2020, include certain liabilities of consolidated VIEs of \$17 million and \$18 million, respectively, for which the creditors of the VIEs have no recourse to the general credit of TDS. See Note 10 — Variable Interest Entities for additional information.

**Telephone and Data Systems, Inc.**  
**Consolidated Statement of Changes in Equity**  
**(Unaudited)**

TDS Shareholders

	Series A Common and Common shares	Capital in excess of par value	Preferred Shares	Treasury shares	Accumulated other comprehensive income (loss)	Retained earnings	Total TDS shareholders' equity	Noncontrolling interests	Total equity
(Dollars in millions)									
<b>March 31, 2021</b>	<b>\$ 1</b>	<b>\$ 2,488</b>	<b>\$ 408</b>	<b>\$ (472)</b>	<b>\$ (3)</b>	<b>\$ 2,830</b>	<b>\$ 5,252</b>	<b>\$ 802</b>	<b>\$ 6,054</b>
Net income attributable to TDS shareholders	—	—	—	—	—	27	27	—	27
Net income attributable to noncontrolling interests classified as equity	—	—	—	—	—	—	—	7	7
Other comprehensive income	—	—	—	—	1	—	1	—	1
TDS Common and Series A Common share dividends (\$0.175 per share)	—	—	—	—	—	(20)	(20)	—	(20)
TDS Preferred share dividends (\$552.0833 per share)	—	—	(2)	—	—	(7)	(9)	—	(9)
Incentive and compensation plans	—	8	—	14	—	(18)	4	—	4
Adjust investment in subsidiaries for repurchases, issuances and other compensation plans	—	(34)	—	—	—	—	(34)	27	(7)
<b>June 30, 2021</b>	<b>\$ 1</b>	<b>\$ 2,462</b>	<b>\$ 406</b>	<b>\$ (458)</b>	<b>\$ (2)</b>	<b>\$ 2,812</b>	<b>\$ 5,221</b>	<b>\$ 836</b>	<b>\$ 6,057</b>

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

**Telephone and Data Systems, Inc.**  
**Consolidated Statement of Changes in Equity**  
**(Unaudited)**

	TDS Shareholders							
	Series A Common and Common shares	Capital in excess of par value	Treasury shares	Accumulated other comprehensive income (loss)	Retained earnings	Total TDS shareholders' equity	Noncontrolling interests	Total equity
(Dollars in millions)								
<b>March 31, 2020</b>	\$ 1	\$ 2,489	\$ (480)	\$ (8)	\$ 2,718	\$ 4,720	\$ 729	\$ 5,449
Cumulative effect of accounting changes	—	—	—		(1)	(1)	—	(1)
Net income attributable to TDS shareholders	—	—	—	—	65	65	—	65
Net income attributable to noncontrolling interests classified as equity	—	—	—	—	—	—	13	13
Other comprehensive income	—	—	—	1	—	1	—	1
TDS Common and Series A Common share dividends (\$0.170 per share)	—	—	—	—	(20)	(20)	—	(20)
Repurchase of Common Shares	—	—	(8)	—	—	(8)	—	(8)
Incentive and compensation plans	—	5	9	—	(11)	3	—	3
Adjust investment in subsidiaries for repurchases, issuances and other compensation plans	—	(22)	—	—	—	(22)	23	1
<b>June 30, 2020</b>	<u>\$ 1</u>	<u>\$ 2,472</u>	<u>\$ (479)</u>	<u>\$ (7)</u>	<u>\$ 2,751</u>	<u>\$ 4,738</u>	<u>\$ 765</u>	<u>\$ 5,503</u>

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

**Telephone and Data Systems, Inc.**  
**Consolidated Statement of Changes in Equity**  
**(Unaudited)**

TDS Shareholders

	Series A Common and Common shares	Capital in excess of par value	Preferred Shares	Treasury shares	Accumulated other comprehensive income (loss)	Retained earnings	Total TDS shareholders' equity	Noncontrolling interests	Total equity
(Dollars in millions)									
<b>December 31, 2020</b>	<b>\$ 1</b>	<b>\$ 2,482</b>	<b>\$ —</b>	<b>\$ (477)</b>	<b>\$ (4)</b>	<b>\$ 2,802</b>	<b>\$ 4,804</b>	<b>\$ 789</b>	<b>\$ 5,593</b>
Net income attributable to TDS shareholders	—	—	—	—	—	86	86	—	86
Net income attributable to noncontrolling interests classified as equity	—	—	—	—	—	—	—	19	19
Other comprehensive income	—	—	—	—	2	—	2	—	2
TDS Common and Series A Common share dividends (\$0.350 per share)	—	—	—	—	—	(40)	(40)	—	(40)
Issuance of TDS Preferred Shares, net of costs	—	—	406	—	—	—	406	—	406
TDS Preferred share dividends (\$552.0833 per share)	—	—	—	—	—	(9)	(9)	—	(9)
Repurchase of Common Shares	—	—	—	(3)	—	—	(3)	—	(3)
Dividend reinvestment plan	—	—	—	1	—	(1)	—	—	—
Incentive and compensation plans	—	12	—	21	—	(26)	7	—	7
Adjust investment in subsidiaries for repurchases, issuances and other compensation plans	—	(32)	—	—	—	—	(32)	30	(2)
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(2)	(2)
<b>June 30, 2021</b>	<b>\$ 1</b>	<b>\$ 2,462</b>	<b>\$ 406</b>	<b>\$ (458)</b>	<b>\$ (2)</b>	<b>\$ 2,812</b>	<b>\$ 5,221</b>	<b>\$ 836</b>	<b>\$ 6,057</b>

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

**Telephone and Data Systems, Inc.**  
**Consolidated Statement of Changes in Equity**  
**(Unaudited)**

TDS Shareholders

	Series A Common and Common shares	Capital in excess of par value	Treasury shares	Accumulated other comprehensive income (loss)	Retained earnings	Total TDS shareholders' equity	Noncontrolling interests	Total equity
(Dollars in millions)								
<b>December 31, 2019</b>	<b>\$ 1</b>	<b>\$ 2,468</b>	<b>\$ (479)</b>	<b>\$ (9)</b>	<b>\$ 2,672</b>	<b>\$ 4,653</b>	<b>\$ 751</b>	<b>\$ 5,404</b>
Cumulative effect of accounting changes	—	—	—	—	(1)	(1)	—	(1)
Net income attributable to TDS shareholders	—	—	—	—	135	135	—	135
Net income attributable to noncontrolling interests classified as equity	—	—	—	—	—	—	26	26
Other comprehensive income	—	—	—	2	—	2	—	2
TDS Common and Series A Common share dividends (\$0.340 per share)	—	—	—	—	(39)	(39)	—	(39)
Repurchase of Common Shares	—	—	(14)	—	—	(14)	—	(14)
Dividend reinvestment plan	—	—	1	—	—	1	—	1
Incentive and compensation plans	—	8	13	—	(16)	5	—	5
Adjust investment in subsidiaries for repurchases, issuances and other compensation plans	—	(4)	—	—	—	(4)	(11)	(15)
Distributions to noncontrolling interests	—	—	—	—	—	—	(1)	(1)
<b>June 30, 2020</b>	<b>\$ 1</b>	<b>\$ 2,472</b>	<b>\$ (479)</b>	<b>\$ (7)</b>	<b>\$ 2,751</b>	<b>\$ 4,738</b>	<b>\$ 765</b>	<b>\$ 5,503</b>

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

**Telephone and Data Systems, Inc.**  
**Notes to Consolidated Financial Statements**

## Note 1 Basis of Presentation

The accounting policies of Telephone and Data Systems, Inc. (TDS) conform to accounting principles generally accepted in the United States of America (GAAP) as set forth in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Unless otherwise specified, references to accounting provisions and GAAP in these notes refer to the requirements of the FASB ASC. The consolidated financial statements include the accounts of TDS and subsidiaries in which it has a controlling financial interest, including TDS' 82%-owned subsidiary, United States Cellular Corporation (UScellular) and TDS' wholly-owned subsidiaries, TDS Telecommunications LLC and TDS Broadband LLC (collectively, TDS Telecom). In addition, the consolidated financial statements include certain entities in which TDS has a variable interest that requires consolidation under GAAP. Intercompany accounts and transactions have been eliminated.

TDS' business segments reflected in this Quarterly Report on Form 10-Q for the period ended June 30, 2021, are UScellular and TDS Telecom. TDS' non-reportable other business activities are presented as "Corporate, Eliminations and Other", which includes the operations of TDS' wholly-owned hosted and managed services (HMS) subsidiary, which operates under the OneNeck IT Solutions brand, and its wholly-owned subsidiary Suttle-Straus, Inc. (Suttle-Straus). HMS' and Suttle-Straus' financial results were not significant to TDS' operations. All of TDS' segments operate only in the United States. See Note 13 — Business Segment Information for summary financial information on each business segment.

The unaudited consolidated financial statements included herein have been prepared by TDS pursuant to the rules and regulations of the Securities and Exchange Commission (SEC). Certain information and disclosures normally included in annual financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. However, TDS believes that the disclosures included herein are adequate to make the information presented not misleading. Certain numbers included herein are rounded to millions for ease of presentation; however, certain calculated amounts and percentages are determined using the unrounded numbers. These unaudited consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in TDS' Annual Report on Form 10-K (Form 10-K) for the year ended December 31, 2020.

The accompanying unaudited consolidated financial statements contain all adjustments (consisting of normal recurring items, unless otherwise disclosed) necessary for the fair statement of TDS' financial position as of June 30, 2021 and December 31, 2020 and its results of operations, comprehensive income and changes in equity for the three and six months ended June 30, 2021 and 2020, and its cash flows for the six months ended June 30, 2021 and 2020. These results are not necessarily indicative of the results to be expected for the full year. TDS has not changed its significant accounting and reporting policies from those disclosed in its Form 10-K for the year ended December 31, 2020.

### Change in Reportable Segments

During the first quarter of 2021, TDS modified its reporting segment structure to combine its Wireline and Cable segments into a single reportable segment for TDS Telecom. TDS Telecom believes this presentation better articulates its progress and performance against its strategy, which includes a focus on overall broadband growth and future fiber deployment across its markets. This change also reflects TDS Telecom's progress in aligning its organizational, operational and support structures to leverage one cost base to better support its customers across all of its markets. Prior periods have been updated to conform to this revised presentation. See Note 13 — Business Segment Information for additional information on TDS' reportable segments.

### Restricted Cash

TDS presents restricted cash with cash and cash equivalents in the Consolidated Statement of Cash Flows. The following table provides a reconciliation of Cash and cash equivalents and restricted cash reported in the Consolidated Balance Sheet to the total of the amounts in the Consolidated Statement of Cash Flows.

	June 30, 2021	December 31, 2020
(Dollars in millions)		
Cash and cash equivalents	\$ 385	\$ 1,429
Restricted cash included in Other current assets	34	23
Cash, cash equivalents and restricted cash in the statement of cash flows	<u>\$ 419</u>	<u>\$ 1,452</u>



## Note 2 Revenue Recognition

### Disaggregation of Revenue

In the following table, TDS' revenues are disaggregated by type of service, which represents the relevant categorization of revenues for TDS' reportable segments, and timing of recognition. Service revenues are recognized over time and Equipment and product sales are point in time.

Three Months Ended June 30, 2021	UScellular	TDS Telecom	Corporate, Eliminations and Other	Total
(Dollars in millions)				
Revenues from contracts with customers:				
Type of service:				
Retail service	\$ 686	\$ —	\$ —	\$ 686
Inbound roaming	28	—	—	28
Residential	—	160	—	160
Commercial	—	46	—	46
Wholesale	—	44	—	44
Other service	40	—	18	58
Service revenues from contracts with customers	754	251	18	1,022
Equipment and product sales	240	—	22	262
Total revenues from contracts with customers	994	251	39	1,284
Operating lease income	20	1	6	27
Total operating revenues	\$ 1,014	\$ 252	\$ 45	\$ 1,311

Three Months Ended June 30, 2020	UScellular	TDS Telecom	Corporate, Eliminations and Other	Total
(Dollars in millions)				
Revenues from contracts with customers:				
Type of service:				
Retail service	\$ 658	\$ —	\$ —	\$ 658
Inbound roaming	41	—	—	41
Residential	—	145	—	145
Commercial	—	48	—	48
Wholesale	—	46	—	46
Other service	35	—	17	52
Service revenues from contracts with customers	734	239	17	990
Equipment and product sales	220	—	27	247
Total revenues from contracts with customers	954	240	43	1,237
Operating lease income	19	1	6	26
Total operating revenues	\$ 973	\$ 241	\$ 49	\$ 1,263

Six Months Ended June 30, 2021	UScellular	TDS Telecom	Corporate, Eliminations and Other	Total
(Dollars in millions)				
Revenues from contracts with customers:				
Type of service:				
Retail service	\$ 1,371	\$ —	\$ —	\$ 1,371
Inbound roaming	56	—	—	56
Residential	—	317	—	317
Commercial	—	93	—	93
Wholesale	—	89	—	89
Other service	77	—	34	111
Service revenues from contracts with customers	1,504	499	34	2,037
Equipment and product sales	492	1	45	538
Total revenues from contracts with customers	1,996	499	79	2,575
Operating lease income	41	1	12	54
Total operating revenues	\$ 2,037	\$ 501	\$ 91	\$ 2,629

Six Months Ended June 30, 2020	UScellular	TDS Telecom	Corporate, Eliminations and Other	Total
(Dollars in millions)				
Revenues from contracts with customers:				
Type of service:				
Retail service	\$ 1,329	\$ —	\$ —	\$ 1,329
Inbound roaming	77	—	—	77
Residential	—	289	—	289
Commercial	—	98	—	98
Wholesale	—	92	—	92
Other service	71	—	35	106
Service revenues from contracts with customers	1,477	479	35	1,990
Equipment and product sales	422	1	59	482
Total revenues from contracts with customers	1,899	479	94	2,472
Operating lease income	38	2	12	52
Total operating revenues	\$ 1,937	\$ 481	\$ 106	\$ 2,524

Numbers may not foot due to rounding.

## Contract Balances

The following table provides balances for contract assets from contracts with customers, which are recorded in Other current assets and Other assets and deferred charges in the Consolidated Balance Sheet, and contract liabilities from contracts with customers, which are recorded in Customer deposits and deferred revenues and Other deferred liabilities and credits in the Consolidated Balance Sheet.

	June 30, 2021	December 31, 2020
(Dollars in millions)		
Contract assets	\$ 13	\$ 13
Contract liabilities	\$ 229	\$ 216

Revenue recognized related to contract liabilities existing at January 1, 2021 was \$146 million for the six months ended June 30, 2021.

## Transaction price allocated to the remaining performance obligations

The following table includes estimated service revenues expected to be recognized related to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period. These estimates represent service revenues to be recognized when services are delivered to customers pursuant to service plan contracts and under certain roaming agreements with other carriers. These estimates are based on contracts in place as of June 30, 2021 and may vary from actual results. As practical expedients, revenue related to contracts of less than one year, generally month-to-month contracts, and contracts with a fixed per-unit price and variable quantity, are excluded from these estimates.

	Service Revenues
(Dollars in millions)	
Remainder of 2021	\$ 262
2022	200
Thereafter	207
Total	<u>\$ 669</u>

## Contract Cost Assets

TDS expects that commission fees paid as a result of obtaining contracts are recoverable and therefore TDS defers and amortizes these costs. As a practical expedient, costs with an amortization period of one year or less are expensed as incurred. TDS also incurs fulfillment costs, such as installation costs, where there is an expectation that a future benefit will be realized. Deferred commission fees and fulfillment costs are amortized based on the timing of transfer of the goods or services to which the assets relate, typically the contract term. Contract cost asset balances, which are recorded in Other assets and deferred charges in the Consolidated Balance Sheet, were as follows:

	June 30, 2021	December 31, 2020
(Dollars in millions)		
Costs to obtain contracts		
Sales commissions	\$ 136	\$ 139
Fulfillment costs		
Installation costs	10	10
Total contract cost assets	<u>\$ 146</u>	<u>\$ 149</u>

Amortization of contract cost assets was \$29 million and \$59 million for the three and six months ended June 30, 2021, respectively, and \$30 million and \$61 million for the three and six months ended June 30, 2020, respectively, and was included in Selling, general and administrative expenses and Cost of services expenses.

## Note 3 Fair Value Measurements

As of June 30, 2021 and December 31, 2020, TDS did not have any material financial or nonfinancial assets or liabilities that were required to be recorded at fair value in its Consolidated Balance Sheet in accordance with GAAP.

The provisions of GAAP establish a fair value hierarchy that contains three levels for inputs used in fair value measurements. Level 1 inputs include quoted market prices for identical assets or liabilities in active markets. Level 2 inputs include quoted market prices for similar assets and liabilities in active markets or quoted market prices for identical assets and liabilities in inactive markets. Level 3 inputs are unobservable. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. A financial instrument's level within the fair value hierarchy is not representative of its expected performance or its overall risk profile and, therefore, Level 3 assets are not necessarily higher risk than Level 2 assets or Level 1 assets.

TDS has applied the provisions of fair value accounting for purposes of computing the fair value of financial instruments for disclosure purposes as displayed below.

	Level within the Fair Value Hierarchy	June 30, 2021		December 31, 2020	
		Book Value	Fair Value	Book Value	Fair Value
(Dollars in millions)					
Long-term debt					
Retail	2	\$ 2,153	\$ 2,276	\$ 2,753	\$ 2,809
Institutional	2	535	670	535	707
Other	2	720	720	230	230

Long-term debt excludes lease obligations, the current portion of Long-term debt and debt financing costs. The fair value of "Retail" Long-term debt was estimated using market prices for TDS and UScellular Senior Notes, which are traded on the New York Stock Exchange. TDS' "Institutional" debt consists of UScellular's 6.7% Senior Notes which are traded over the counter. TDS' "Other" debt consists of senior term loan credit agreements, revolving credit agreement and receivables securitization agreement. TDS estimated the fair value of its Institutional and Other debt through a discounted cash flow analysis using the interest rates or estimated yield to maturity for each borrowing, which ranged from 1.26% to 4.34% and 1.35% to 3.75% at June 30, 2021 and December 31, 2020, respectively.

The fair values of Cash and cash equivalents, restricted cash and Short-term investments approximate their book values due to the short-term nature of these financial instruments.

## Note 4 Equipment Installment Plans

UScellular sells devices to customers under equipment installment plans over a specified time period. For certain equipment installment plans, after a specified period of time or amount of payments, the customer may have the right to upgrade to a new device and have the remaining unpaid equipment installment contract balance waived, subject to certain conditions, including trading in the original device in good working condition and signing a new equipment installment contract.

The following table summarizes equipment installment plan receivables.

	June 30, 2021	December 31, 2020
(Dollars in millions)		
Equipment installment plan receivables, gross	\$ 1,015	\$ 1,007
Allowance for credit losses	(72)	(78)
Equipment installment plan receivables, net	<u>\$ 943</u>	<u>\$ 929</u>

### Net balance presented in the Consolidated Balance Sheet as:

Accounts receivable — Customers and agents (Current portion)	\$ 598	\$ 590
Other assets and deferred charges (Non-current portion)	345	339
Equipment installment plan receivables, net	<u>\$ 943</u>	<u>\$ 929</u>

UScellular uses various inputs, including internal data, information from credit bureaus and other sources, to evaluate the credit profiles of its customers. From this evaluation, a credit class is assigned to the customer that determines the number of eligible lines, the amount of credit available, and the down payment requirement, if any. These credit classes are grouped into four credit categories: lowest risk, lower risk, slight risk and higher risk. A customer's assigned credit class is reviewed periodically and a change is made, if appropriate. An equipment installment plan billed amount is considered past due if not paid within 30 days. The balance and aging of the equipment installment plan receivables on a gross basis by credit category were as follows:

	June 30, 2021					December 31, 2020				
	Lowest Risk	Lower Risk	Slight Risk	Higher Risk	Total	Lowest Risk	Lower Risk	Slight Risk	Higher Risk	Total
(Dollars in millions)										
Unbilled	\$ 836	\$ 95	\$ 24	\$ 6	\$ 961	\$ 819	\$ 98	\$ 22	\$ 9	\$ 948
Billed — current	35	4	1	—	40	36	5	1	1	43
Billed — past due	7	4	2	1	14	8	5	2	1	16
Total	<u>\$ 878</u>	<u>\$ 103</u>	<u>\$ 27</u>	<u>\$ 7</u>	<u>\$ 1,015</u>	<u>\$ 863</u>	<u>\$ 108</u>	<u>\$ 25</u>	<u>\$ 11</u>	<u>\$ 1,007</u>

The balance of the equipment installment plan receivables as of June 30, 2021 on a gross basis by year of origination were as follows:

	2018	2019	2020	2021	Total
(Dollars in millions)					
Lowest Risk	\$ 2	\$ 140	\$ 415	\$ 321	\$ 878
Lower Risk	—	11	48	44	103
Slight Risk	—	2	8	17	27
Higher Risk	—	1	3	3	7
Total	<u>\$ 2</u>	<u>\$ 154</u>	<u>\$ 474</u>	<u>\$ 385</u>	<u>\$ 1,015</u>

Activity for the six months ended June 30, 2021 and 2020, in the allowance for credit losses for equipment installment plan receivables was as follows:

	June 30, 2021	June 30, 2020
(Dollars in millions)		
Allowance for credit losses, beginning of period	\$ 78	\$ 84
Bad debts expense	13	33
Write-offs, net of recoveries	(19)	(35)
Allowance for credit losses, end of period	<u>\$ 72</u>	<u>\$ 82</u>

## Note 5 Income Taxes

The effective tax rate on Income before income taxes for the three and six months ended June 30, 2021 was (48.9)% and 15.5%, respectively. These effective tax rates were lower than normal due primarily to the reduction of tax accruals resulting from expirations of state statute of limitations for prior tax years.

The effective tax rate on Income before income taxes for the three and six months ended June 30, 2020 was 9.6% and 6.9%, respectively. These effective tax rates were lower than normal due primarily to the income tax benefits of the CARES Act.

## Note 6 Earnings Per Share

Basic earnings per share attributable to TDS common shareholders is computed by dividing Net income attributable to TDS common shareholders by the weighted average number of Common Shares outstanding during the period. Diluted earnings per share attributable to TDS common shareholders is computed by dividing Net income attributable to TDS common shareholders by the weighted average number of Common Shares outstanding during the period adjusted to include the effects of potentially dilutive securities. Potentially dilutive securities primarily include incremental shares issuable upon the exercise of outstanding stock options and the vesting of performance and restricted stock units.

The amounts used in computing basic and diluted earnings per share attributable to TDS common shareholders were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
(Dollars and shares in millions, except per share amounts)				
Net income attributable to TDS common shareholders used in basic earnings per share	\$ 20	\$ 65	\$ 77	\$ 135
Adjustments to compute diluted earnings:				
Noncontrolling interest adjustment	—	—	(1)	(2)
Net income attributable to TDS common shareholders used in diluted earnings per share	\$ 20	\$ 65	\$ 76	\$ 133
Weighted average number of shares used in basic earnings per share:				
Common Shares	108	107	108	108
Series A Common Shares	7	7	7	7
Total	115	114	115	115
Effects of dilutive securities	1	1	1	—
Weighted average number of shares used in diluted earnings per share	116	115	116	115
Basic earnings per share attributable to TDS common shareholders	\$ 0.18	\$ 0.57	\$ 0.67	\$ 1.18
Diluted earnings per share attributable to TDS common shareholders	\$ 0.17	\$ 0.56	\$ 0.65	\$ 1.15

Certain Common Shares issuable upon the exercise of stock options or vesting of performance and restricted stock units were not included in weighted average diluted shares outstanding for the calculation of Diluted earnings per share attributable to TDS shareholders because their effects were antidilutive. The number of such Common Shares excluded was 3 million for both the three and six months ended June 30, 2021 and 5 million and 4 million for the three and six months ended June 30, 2020, respectively.

## Note 7 Intangible Assets

Activity related to Licenses for the six months ended June 30, 2021, is presented below:

	Licenses	
(Dollars in millions)		
Balance at December 31, 2020	\$	2,638
Acquisitions		1,283
Transferred to Assets held for sale		(1)
Capitalized interest		6
Balance at June 30, 2021	\$	<u>3,926</u>

In February 2021, the FCC announced by way of public notice that UScellular was the provisional winning bidder for 254 wireless spectrum licenses in the 3.7-3.98 GHz bands (Auction 107) for \$1,283 million. UScellular paid \$30 million of this amount in 2020 and the remainder in March 2021. The wireless spectrum licenses from Auction 107 were granted by the FCC in July 2021. Additionally, UScellular expects to be obligated to pay approximately \$178 million in total from 2021 through 2024 related to relocation costs and accelerated relocation incentive payments. Such additional costs were accrued and capitalized at the time the licenses were granted, which occurred after the period ended June 30, 2021. The spectrum must be cleared by incumbent providers before UScellular can access it. UScellular does not expect to have access to this spectrum until late 2023.

## Note 8 Investments in Unconsolidated Entities

Investments in unconsolidated entities consist of amounts invested in entities in which TDS holds a noncontrolling interest. TDS' Investments in unconsolidated entities are accounted for using either the equity method or measurement alternative method as shown in the table below. The carrying value of measurement alternative method investments represents cost minus any impairments plus or minus any observable price changes.

	June 30, 2021		December 31, 2020	
(Dollars in millions)				
Equity method investments	\$	465	\$	456
Measurement alternative method investments		22		21
Total investments in unconsolidated entities	\$	<u>487</u>	\$	<u>477</u>

The following table, which is based on unaudited information provided in part by third parties, summarizes the combined results of operations of TDS' equity method investments.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
(Dollars in millions)				
Revenues	\$ 1,748	\$ 1,586	\$ 3,482	\$ 3,249
Operating expenses	1,221	1,098	2,502	2,265
Operating income	527	488	980	984
Other income (expense), net	(2)	(2)	10	1
Net income	\$ 525	\$ 486	\$ 990	\$ 985

## Note 9 Debt

### Revolving Credit Agreements

The following table summarizes the revolving credit agreements as of June 30, 2021:

	TDS		UScellular	
(Dollars in millions)				
Maximum borrowing capacity	\$	400	\$	300
Letters of credit outstanding	\$	1	\$	—
Amount borrowed	\$	125	\$	—
Amount available for use	\$	274	\$	300

Borrowings under the TDS revolving credit agreement bear interest at a rate of London Inter-bank Offered Rate (LIBOR) plus 1.50%.

TDS and UScellular believe that they were in compliance with all of the financial covenants and other requirements set forth in their revolving credit agreements as of June 30, 2021.

In July 2021, TDS and UScellular amended and restated their revolving credit agreements. The maturity date of the agreements was extended to July 2026 and the consolidated leverage ratio, as defined in the agreements, may not be greater than 3.75 to 1.00 as of the end of any fiscal quarter. There were no significant changes to other terms of the revolving credit agreements.

### Term Loan Agreements

The following table summarizes the term loan credit agreements as of June 30, 2021:

	TDS		UScellular	
(Dollars in millions)				
Maximum borrowing capacity	\$	200	\$	300
Amount borrowed	\$	200	\$	300
Amount available for use	\$	—	\$	—

As of June 30, 2021, borrowings under the TDS term loan bear interest at a rate of LIBOR plus 2.0% and principal reductions are due and payable in quarterly installments of \$0.5 million beginning in June 2021.

In July 2021, TDS amended and restated its term loan agreement to allow for an additional \$300 million of borrowing capacity. Principal reductions on the existing borrowings are due and payable in quarterly installments of \$0.5 million beginning in December 2021. Amounts borrowed under the existing term loan agreement will bear interest at a rate of LIBOR plus 2.0% and be due and payable in July 2028. Borrowings under the additional \$300 million borrowing capacity will bear interest at a rate of LIBOR plus 2.50% and be due and payable in July 2031. Principal reductions on any new borrowings will be due and payable in quarterly installments beginning in December 2022 at a rate of 0.25% of the initial outstanding principal balance through September 2026 and at a rate of 0.625% of the initial outstanding principal balance from December 2026 through the maturity date. Additionally, the consolidated leverage ratio, as defined in the agreement, may not be greater than 3.75 to 1.00 as of the end of any fiscal quarter. There were no significant changes to other terms of the term loan agreement.

As of June 30, 2021, borrowings under the UScellular term loan bear interest at a rate of LIBOR plus 2.25% and principal reductions are due and payable in quarterly installments of \$0.75 million beginning in September 2021.

In July 2021, UScellular amended and restated its term loan agreement to allow for an additional \$200 million of borrowing capacity. Principal reductions on the existing borrowings are due and payable in quarterly installments of \$0.75 million beginning in December 2021. Amounts borrowed under the existing term loan agreement will bear interest at a rate of LIBOR plus 2.0% and be due and payable in July 2028. Borrowings under the additional \$200 million borrowing capacity will bear interest at a rate of LIBOR plus 2.50% and be due and payable in July 2031. Principal reductions on any new borrowings will be due and payable in quarterly installments beginning in December 2022 at a rate of 0.25% of the initial outstanding principal balance through September 2026 and at a rate of 0.625% of the initial outstanding principal balance from December 2026 through the maturity date. Additionally, the consolidated leverage ratio, as defined in the agreement, may not be greater than 3.75 to 1.00 as of the end of any fiscal quarter. There were no significant changes to other terms of the term loan agreement.

TDS and UScellular believe that they were in compliance with all of the financial covenants and other requirements set forth in their senior term loan credit agreements as of June 30, 2021.



## Receivables Securitization Agreement

At June 30, 2021, UScellular had a receivables securitization agreement for securitized borrowings using its equipment installment receivables for general corporate purposes. Amounts under the receivables securitization agreement may be borrowed, repaid and reborrowed from time to time until maturity in December 2022, which may be extended from time to time as specified therein. The outstanding borrowings bear interest at floating rates. In March 2021, UScellular borrowed \$275 million under its receivables securitization agreement. In June 2021, UScellular repaid \$200 million of the outstanding borrowing. In June 2021, UScellular increased the borrowing capacity under the receivables securitization agreement to \$450 million. As of June 30, 2021, the outstanding borrowings under the agreement were \$100 million and the unused capacity under the agreement was \$350 million, subject to sufficient collateral to satisfy the asset borrowing base provisions of the agreement. UScellular believes that it was in compliance with all of the financial covenants and other requirements set forth in its receivables securitization agreement as of June 30, 2021. As of June 30, 2021, the USCC Master Note Trust held \$382 million of assets available to be pledged as collateral for the receivables securitization agreement.

In July 2021, UScellular amended the receivables securitization agreement. The consolidated leverage ratio, as defined in the agreement, may not be greater than 3.75 to 1.00 as of the end of any fiscal quarter. There were no significant changes to other terms of the receivable securitization agreement.

## Other Long-Term Debt

In May 2021, TDS redeemed its outstanding \$225 million of 6.875% Senior Notes due 2059 and \$300 million of 7.0% Senior Notes due 2060, and UScellular redeemed its outstanding \$275 million of 7.25% Senior Notes due 2063. At time of redemption, \$26 million of interest expense was recorded related to unamortized debt issuance costs related to the notes. The notes were redeemed at a price of 100% of the principal amount, including accrued and unpaid interest to the redemption date.

In May 2021, UScellular issued \$500 million of 5.5% Senior Notes due in June 2070, and received cash proceeds of \$484 million after payment of debt issuance costs of \$16 million. These funds will be used for general corporate purposes. Interest on these notes is payable quarterly beginning in September 2021. UScellular may redeem these notes, in whole or in part, at any time after June 2026 at a redemption price equal to 100% of the principal amount redeemed plus accrued and unpaid interest.

In June 2021, UScellular redeemed its outstanding \$300 million of 7.25% Senior Notes due 2064. At time of redemption, \$10 million of interest expense was recorded related to unamortized debt issuance costs for these notes. The notes were redeemed at a price of 100% of the principal amount, including accrued and unpaid interest to the redemption date.

In August 2021, TDS announced that it will redeem its outstanding \$116 million of 6.625% Senior Notes due 2045 and UScellular announced that it will redeem its outstanding \$342 million of 6.95% Senior Notes due 2060. At time of redemption, \$14 million of interest expense will be recorded related to unamortized debt issuance costs related to the notes. The notes are expected to be redeemed on September 1, 2021, at a redemption price of 100% of the principal amount, including accrued and unpaid interest to the redemption date.

## Note 10 Variable Interest Entities

### Consolidated VIEs

TDS consolidates VIEs in which it has a controlling financial interest as defined by GAAP and is therefore deemed the primary beneficiary. TDS reviews the criteria for a controlling financial interest at the time it enters into agreements and subsequently when events warranting reconsideration occur. These VIEs have risks similar to those described in the "Risk Factors" in this Form 10-Q and TDS' Form 10-K for the year ended December 31, 2020.

UScellular formed USCC EIP LLC (Seller/Sub-Servicer), USCC Receivables Funding LLC (Transferor) and the USCC Master Note Trust (Trust), collectively the special purpose entities (SPEs), to facilitate a securitized borrowing using its equipment installment plan receivables. Under a Receivables Sale Agreement, UScellular wholly-owned, majority-owned and unconsolidated entities, collectively referred to as "affiliated entities", transfer device equipment installment plan contracts to the Seller/Sub-Servicer. The Seller/Sub-Servicer aggregates device equipment installment plan contracts, and performs servicing, collection and all other administrative activities related to accounting for the equipment installment plan contracts. The Seller/Sub-Servicer sells the eligible equipment installment plan receivables to the Transferor, a bankruptcy remote entity, which subsequently sells the receivables to the Trust. The Trust, which is bankruptcy remote and isolated from the creditors of UScellular, will be responsible for issuing asset-backed variable funding notes (Notes), which are collateralized by the equipment installment plan receivables owned by the Trust. Given that UScellular has the power to direct the activities of these SPEs, and that these SPEs lack sufficient equity to finance their activities, UScellular is deemed to have a controlling financial interest in the SPEs and, therefore, consolidates them. All transactions with third parties (e.g., issuance of the asset-backed variable funding notes) will be accounted for as a secured borrowing due to the pledging of equipment installment plan contracts as collateral, significant continuing involvement in the transferred assets, subordinated interests of the cash flows, and continued evidence of control of the receivables.

The following VIEs were formed to participate in FCC auctions of wireless spectrum licenses and to fund, establish, and provide wireless service with respect to any FCC wireless spectrum licenses won in the auctions:

- Advantage Spectrum, L.P. (Advantage Spectrum) and Sunshine Spectrum, Inc., the general partner of Advantage Spectrum; and
- King Street Wireless, L.P. (King Street Wireless) and King Street Wireless, Inc., the general partner of King Street Wireless.

These particular VIEs are collectively referred to as designated entities. The power to direct the activities that most significantly impact the economic performance of these VIEs is shared. Specifically, the general partner of these VIEs has the exclusive right to manage, operate and control the limited partnerships and make all decisions to carry on the business of the partnerships. The general partner of each partnership needs the consent of the limited partner, an indirect TDS subsidiary, to sell or lease certain wireless spectrum licenses, to make certain large expenditures, admit other partners or liquidate the limited partnerships. Although the power to direct the activities of these VIEs is shared, TDS has the most significant level of exposure to the variability associated with the economic performance of the VIEs, indicating that TDS is the primary beneficiary of the VIEs. Therefore, in accordance with GAAP, these VIEs are consolidated.

TDS also consolidates other VIEs that are limited partnerships that provide wireless service. A limited partnership is a variable interest entity unless the limited partners hold substantive participating rights or kick-out rights over the general partner. For certain limited partnerships, UScellular is the general partner and manages the operations. In these partnerships, the limited partners do not have substantive kick-out or participating rights and, further, such limited partners do not have the authority to remove the general partner. Therefore, these limited partnerships also are recognized as VIEs and are consolidated under the variable interest model.

The following table presents the classification and balances of the consolidated VIEs' assets and liabilities in TDS' Consolidated Balance Sheet.

	June 30, 2021	December 31, 2020
(Dollars in millions)		
<b>Assets</b>		
Cash and cash equivalents	\$ 31	\$ 18
Short-term investments	—	3
Accounts receivable	647	638
Inventory, net	3	3
Other current assets	31	21
Licenses	637	637
Property, plant and equipment, net	98	99
Operating lease right-of-use assets	39	37
Other assets and deferred charges	355	347
Total assets	<u>\$ 1,841</u>	<u>\$ 1,803</u>
<b>Liabilities</b>		
Current liabilities	\$ 23	\$ 26
Long-term operating lease liabilities	35	34
Other deferred liabilities and credits	20	19
Total liabilities <sup>1</sup>	<u>\$ 78</u>	<u>\$ 79</u>

<sup>1</sup> Total liabilities does not include amounts borrowed under the receivables securitization agreement. See Note 9 – Debt for additional information.

### Unconsolidated VIEs

TDS manages the operations of and holds a variable interest in certain other limited partnerships, but is not the primary beneficiary of these entities and, therefore, does not consolidate them under the variable interest model.

TDS' total investment in these unconsolidated entities was \$5 million at both June 30, 2021 and December 31, 2020, and is included in Investments in unconsolidated entities in TDS' Consolidated Balance Sheet. The maximum exposure from unconsolidated VIEs is limited to the investment held by TDS in those entities.

### Other Related Matters

TDS made contributions, loans or advances to its VIEs totaling \$50 million and \$88 million, during the six months ended June 30, 2021 and 2020, respectively, of which \$21 million in 2021 and \$67 million in 2020, are related to USCC EIP LLC as discussed above. TDS may agree to make additional capital contributions and/or advances to these or other VIEs and/or to their general partners to provide additional funding for operations or the development of wireless spectrum licenses granted in various auctions. TDS may finance such amounts with a combination of cash on hand, borrowings under its revolving credit or receivables securitization agreements and/or other long-term debt. There is no assurance that TDS will be able to obtain additional financing on commercially reasonable terms or at all to provide such financial support.

The limited partnership agreement of Advantage Spectrum also provides the general partner with a put option whereby the general partner may require the limited partner, a subsidiary of UScellular, to purchase its interest in the limited partnership. The general partner's put option related to its interest in Advantage Spectrum will be exercisable in the third quarter of 2021, and if not exercised at that time, will be exercisable in 2022. The greater of the carrying value of the general partner's investment or the value of the put option, net of any borrowings due to TDS, is recorded as Noncontrolling interests with redemption features in TDS' Consolidated Balance Sheet. Also in accordance with GAAP, minority share of income or changes in the redemption value of the put option, net of interest accrued on the loans, are recorded as a component of Net income attributable to noncontrolling interests, net of tax, in TDS' Consolidated Statement of Operations.

## Note 11 Noncontrolling Interests

The following schedule discloses the effects of Net income attributable to TDS shareholders and changes in TDS' ownership interest in UScellular on TDS' equity:

Six Months Ended June 30,	2021	2020
(Dollars in millions)		
Net income attributable to TDS shareholders	\$ 86	\$ 135
Transfers (to) from noncontrolling interests		
Change in TDS' Capital in excess of par value from UScellular's issuance of UScellular shares	(43)	(32)
Change in TDS' Capital in excess of par value from UScellular's repurchases of UScellular shares	1	14
Net transfers (to) from noncontrolling interests	(42)	(18)
Net income attributable to TDS shareholders after transfers (to) from noncontrolling interests	\$ 44	\$ 117

## Note 12 Shareholders' Equity

### Preferred Stock

In March 2021, TDS issued 16,800 shares of TDS' 6.625% Series UU Cumulative Redeemable Perpetual Preferred Stock (Preferred Shares) for \$25,000 per Preferred Share, for total gross proceeds of \$420 million. The Preferred Shares were issued to a depository to facilitate the issuance of 16,800,000 depository shares (Depository Shares), each representing 1/1,000<sup>th</sup> of a Preferred Share. TDS received net cash proceeds of \$406 million after payment of issuance costs of \$14 million. The proceeds were for general corporate purposes, including but not limited to, the funding of capital expenditures associated with TDS Telecom's fiber program and retirement of existing debt.

Each holder of Depository Shares is entitled to a proportional fractional interest in all rights and preferences of the Preferred Shares, including dividend, voting, redemption and liquidation rights. The Preferred Shares have no maturity or mandatory redemption date and are not redeemable at the option of the holders.

Dividends on the Preferred Shares, when declared, are payable quarterly at a rate equal to 6.625% per year. As of June 30, 2021, there were no dividends in arrears. The Preferred Shares rank senior to TDS' Common Shares and junior to all of TDS' existing and future indebtedness outstanding under the TDS' credit facilities and unsecured senior notes. Upon voluntary or involuntary liquidation, holders of Preferred Shares are entitled to a liquidating distribution of \$25,000 per Preferred Share after satisfaction of liabilities and obligations to creditors. The Preferred Shares do not have voting rights, except under limited conditions.

TDS may, at its option, redeem the Preferred shares (a) in whole or in part, on or after March 31, 2026 at a redemption price of \$25,000 per Preferred Share, or (b) in whole but not in part, any time prior to March 31, 2026, within 120 days after a credit rating downgrade as specified in the offering prospectus, at a redemption price of \$25,500 per Preferred Share, or (c) in whole or in part, within 120 days of the occurrence of a change in control as specified in the offering prospectus, at a redemption price of \$25,000 per Preferred Share, plus, in each case, all accumulated and unpaid dividends (whether or not declared) up to the redemption date.

The Preferred Shares are convertible, at the option of the holder, to shares of TDS Common Shares upon a change of control as specified in the offering prospectus. The conversion right is the lesser of (a) Common Shares equal to \$25,000 per Preferred Share plus any accumulated and unpaid dividends, divided by the TDS Common Stock price, or (b) 2,773.200 Common Shares for each Preferred Share, which represents one-half the conversion rate at the time of closing. In both cases, certain other adjustments and provisions may impact the conversion.

## Note 13 Business Segment Information

UScellular and TDS Telecom are billed for services they receive from TDS, consisting primarily of information processing, accounting, finance, and general management services. Such billings are based on expenses specifically identified to UScellular and TDS Telecom and on allocations of common expenses. Management believes the method used to allocate common expenses is reasonable and that all expenses and costs applicable to UScellular and TDS Telecom are reflected in the accompanying business segment information on a basis that is representative of what they would have been if UScellular and TDS Telecom operated on a stand-alone basis. During the first quarter of 2021, TDS modified its reporting segment structure to combine its Wireline and Cable segments into a single reportable segment for TDS Telecom. TDS Telecom believes this presentation better articulates its progress and performance against its strategy, which includes a focus on overall broadband growth and future fiber deployment across its markets. This change also reflects TDS Telecom's progress in aligning its organizational, operational and support structures to leverage one cost base to better support its customers across all of its markets. Prior periods have been updated to conform to this revised presentation.

Financial data for TDS' reportable segments for the three and six month periods ended, or as of June 30, 2021 and 2020, is as follows. See Note 1 — Basis of Presentation for additional information.

Three Months Ended or as of June 30, 2021	UScellular	TDS Telecom	Corporate, Eliminations and Other	Total
<small>(Dollars in millions)</small>				
<b>Operating revenues</b>				
Service	\$ 774	\$ 251	\$ 24	\$ 1,049
Equipment and product sales	240	—	22	262
Total operating revenues	1,014	252	45	1,311
Cost of services (excluding Depreciation, amortization and accretion reported below)	204	101	19	324
Cost of equipment and products	258	—	18	276
Selling, general and administrative	334	73	9	416
Depreciation, amortization and accretion	180	49	5	234
(Gain) loss on asset disposals, net	2	1	—	3
<b>Operating income (loss)</b>	36	28	(6)	58
Equity in earnings of unconsolidated entities	47	—	1	48
Interest and dividend income	2	—	1	3
Interest expense	(60)	1	(27)	(86)
<b>Income (loss) before income taxes</b>	25	29	(31)	23
Income tax expense (benefit)	(10)	7	(8)	(11)
<b>Net income (loss)</b>	35	22	(23)	34
<b>Add back:</b>				
Depreciation, amortization and accretion	180	49	5	234
(Gain) loss on asset disposals, net	2	1	—	3
Interest expense	60	(1)	27	86
Income tax expense (benefit)	(10)	7	(8)	(11)
<b>Adjusted EBITDA<sup>1</sup></b>	<b>\$ 267</b>	<b>\$ 78</b>	<b>\$ 1</b>	<b>\$ 346</b>
Investments in unconsolidated entities	\$ 445	\$ 4	\$ 38	\$ 487
Total assets	\$ 9,920	\$ 2,433	\$ 427	\$ 12,780
Capital expenditures	\$ 148	\$ 99	\$ 3	\$ 250

Three Months Ended or as of June 30, 2020	UScellular	TDS Telecom	Corporate, Eliminations and Other	Total
(Dollars in millions)				
<b>Operating revenues</b>				
Service	\$ 753	\$ 240	\$ 23	\$ 1,016
Equipment and product sales	220	—	27	247
Total operating revenues	973	241	49	1,263
Cost of services (excluding Depreciation, amortization and accretion reported below)	197	92	17	306
Cost of equipment and products	218	—	23	241
Selling, general and administrative	323	66	9	398
Depreciation, amortization and accretion	178	51	7	236
(Gain) loss on asset disposals, net	4	—	—	4
<b>Operating income (loss)</b>	<b>53</b>	<b>31</b>	<b>(6)</b>	<b>78</b>
Equity in earnings of unconsolidated entities	44	—	—	44
Interest and dividend income	1	1	—	2
Interest expense	(25)	1	(14)	(38)
<b>Income (loss) before income taxes</b>	<b>73</b>	<b>33</b>	<b>(20)</b>	<b>86</b>
Income tax expense (benefit)	4	5	(1)	8
<b>Net income (loss)</b>	<b>69</b>	<b>28</b>	<b>(19)</b>	<b>78</b>
<b>Add back:</b>				
Depreciation, amortization and accretion	178	51	7	236
(Gain) loss on asset disposals, net	4	—	—	4
Interest expense	25	(1)	14	38
Income tax expense (benefit)	4	5	(1)	8
<b>Adjusted EBITDA<sup>1</sup></b>	<b>\$ 280</b>	<b>\$ 83</b>	<b>\$ 1</b>	<b>\$ 364</b>
Investments in unconsolidated entities	\$ 445	\$ 4	\$ 37	\$ 486
Total assets	\$ 8,500	\$ 2,210	\$ 451	\$ 11,161
Capital expenditures	\$ 168	\$ 75	\$ 4	\$ 247

Six Months Ended or as of June 30, 2021	UScellular	TDS Telecom	Corporate, Eliminations and Other	Total
<small>(Dollars in millions)</small>				
<b>Operating revenues</b>				
Service	\$ 1,545	\$ 500	\$ 46	\$ 2,091
Equipment and product sales	492	1	45	538
Total operating revenues	2,037	501	91	2,629
Cost of services (excluding Depreciation, amortization and accretion reported below)	389	199	35	623
Cost of equipment and products	533	—	37	570
Selling, general and administrative	639	143	22	804
Depreciation, amortization and accretion	350	98	9	457
(Gain) loss on asset disposals, net	7	1	—	8
(Gain) loss on sale of business and other exit costs, net	(1)	—	—	(1)
<b>Operating income (loss)</b>	120	60	(12)	168
Equity in earnings of unconsolidated entities	88	—	2	90
Interest and dividend income	3	—	3	6
Interest expense	(97)	2	(43)	(138)
Other, net	—	—	(1)	(1)
<b>Income (loss) before income taxes</b>	114	62	(51)	125
Income tax expense (benefit) <sup>1</sup>	17	15	(12)	20
<b>Net income (loss)</b>	97	46	(38)	105
<b>Add back:</b>				
Depreciation, amortization and accretion	350	98	9	457
(Gain) loss on asset disposals, net	7	1	—	8
(Gain) loss on sale of business and other exit costs, net	(1)	—	—	(1)
Interest expense	97	(2)	43	138
Income tax expense (benefit) <sup>1</sup>	17	15	(12)	20
<b>Adjusted EBITDA<sup>2</sup></b>	<b>\$ 567</b>	<b>\$ 158</b>	<b>\$ 2</b>	<b>\$ 727</b>
Capital expenditures	\$ 273	\$ 169	\$ 4	\$ 446

Six Months Ended or as of June 30, 2020	UScellular	TDS Telecom	Corporate, Eliminations and Other	Total
(Dollars in millions)				
<b>Operating revenues</b>				
Service	\$ 1,515	\$ 480	\$ 47	\$ 2,042
Equipment and product sales	422	1	59	482
Total operating revenues	1,937	481	106	2,524
Cost of services (excluding Depreciation, amortization and accretion reported below)	377	188	34	599
Cost of equipment and products	435	—	52	487
Selling, general and administrative	659	130	20	809
Depreciation, amortization and accretion	354	103	13	470
(Gain) loss on asset disposals, net	8	—	—	8
<b>Operating income (loss)</b>	104	59	(12)	151
Equity in earnings of unconsolidated entities	89	—	1	90
Interest and dividend income	5	4	(1)	8
Interest expense	(49)	2	(28)	(75)
Other, net	—	(1)	—	(1)
<b>Income (loss) before income taxes</b>	149	64	(40)	173
Income tax expense (benefit) <sup>1</sup>	8	8	(4)	12
<b>Net income (loss)</b>	141	56	(36)	161
<b>Add back:</b>				
Depreciation, amortization and accretion	354	103	13	470
(Gain) loss on asset disposals, net	8	—	—	8
Interest expense	49	(2)	28	75
Income tax expense (benefit) <sup>1</sup>	8	8	(4)	12
<b>Adjusted EBITDA<sup>2</sup></b>	<b>\$ 560</b>	<b>\$ 165</b>	<b>\$ 1</b>	<b>\$ 726</b>
Capital expenditures	\$ 405	\$ 128	\$ 6	\$ 539

Numbers may not foot due to rounding.

<sup>1</sup> Adjusted earnings before interest, taxes, depreciation, amortization and accretion (Adjusted EBITDA) is a segment measure reported to the chief operating decision maker for purposes of assessing their performance. Adjusted EBITDA is defined as net income, adjusted for the items set forth in the reconciliation above. TDS believes Adjusted EBITDA is a useful measure of TDS' operating results before significant recurring non-cash charges, gains and losses, and other items as presented above as they provide additional relevant and useful information to investors and other users of TDS' financial data in evaluating the effectiveness of its operations and underlying business trends in a manner that is consistent with management's evaluation of business performance.

## Telephone and Data Systems, Inc. Additional Required Information

### Controls and Procedures

#### Evaluation of Disclosure Controls and Procedures

TDS maintains disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)) that are designed to ensure that information required to be disclosed in its reports filed or submitted under the Exchange Act is processed, recorded, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to TDS' management, including its principal executive officer and principal financial officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

As required by SEC Rules 13a-15(b), TDS carried out an evaluation, under the supervision and with the participation of management, including its principal executive officer and principal financial officer, of the effectiveness of the design and operation of TDS' disclosure controls and procedures as of the end of the period covered by this Quarterly Report. Based on this evaluation, TDS' principal executive officer and principal financial officer concluded that TDS' disclosure controls and procedures were effective as of June 30, 2021, at the reasonable assurance level.

#### Changes in Internal Control Over Financial Reporting

There have been no changes in internal controls over financial reporting that have occurred during the three months ended June 30, 2021, that have materially affected, or are reasonably likely to materially affect, TDS' internal control over financial reporting.

### Legal Proceedings

In April 2018, the United States Department of Justice (DOJ) notified TDS that it was conducting inquiries of UScellular and TDS under the federal False Claims Act relating to UScellular's participation in wireless spectrum license auctions 58, 66, 73 and 97 conducted by the FCC. UScellular is/was a limited partner in several limited partnerships which qualified for the 25% bid credit in each auction. The investigation arose from civil actions under the Federal False Claims Act brought by private parties in the U.S. District Court for the Western District of Oklahoma. In November and December 2019, following the DOJ's investigation, the DOJ informed TDS and UScellular that it would not intervene in the above-referenced actions. Subsequently, the private party plaintiffs filed amended complaints in both actions in the U.S. District Court for the Western District of Oklahoma and are continuing the action on their own. In July 2020, these actions were transferred to the U.S. District Court for the District of Columbia. TDS and UScellular believe that UScellular's arrangements with the limited partnerships and the limited partnerships' participation in the FCC auctions complied with applicable law and FCC rules. At this time, TDS cannot predict the outcome of any proceeding.

Refer to the disclosure under Legal Proceedings in TDS' Form 10-K for the year ended December 31, 2020, for additional information. There have been no material changes to such information since December 31, 2020.



## Unregistered Sales of Equity Securities and Use of Proceeds

On August 2, 2013, the Board of Directors of TDS authorized, and TDS announced by Form 8-K, a \$250 million stock repurchase program for TDS Common Shares. Depending on market conditions, such shares may be repurchased in compliance with Rule 10b-18 of the Exchange Act, pursuant to Rule 10b5-1 under the Exchange Act, or pursuant to accelerated share repurchase arrangements, prepaid share repurchases, private transactions or as otherwise authorized. This authorization does not have an expiration date. TDS did not determine to terminate the foregoing Common Share repurchase program, or cease making further purchases thereunder, during the second quarter of 2021.

The maximum dollar value of shares that may yet be purchased under this program was \$182 million as of June 30, 2021. There were no purchases made by or on behalf of TDS, and no open market purchases made by any "affiliated purchaser" (as defined by the SEC) of TDS, of TDS Common Shares during the quarter covered by this Form 10-Q.

## Other Information

In July 2021, TDS amended and restated its term loan agreement to allow for an additional \$300 million of borrowing capacity. Principal reductions on the existing borrowings are due and payable in quarterly installments of \$0.5 million beginning in December 2021. Amounts borrowed under the existing term loan agreement will bear interest at a rate of LIBOR plus 2.0% and be due and payable in July 2028. Borrowings under the additional \$300 million borrowing capacity will bear interest at a rate of LIBOR plus 2.50% and be due and payable in July 2031. Principal reductions on any new borrowings will be due and payable in quarterly installments beginning in December 2022 at a rate of 0.25% of the initial outstanding principal balance through September 2026 and at a rate of 0.625% of the initial outstanding principal balance from December 2026 through the maturity date. Additionally, the consolidated leverage ratio, as defined in the agreement, may not be greater than 3.75 to 1.00 as of the end of any fiscal quarter. There were no significant changes to other terms of the term loan agreement.

In July 2021, UScellular amended and restated its term loan agreement to allow for an additional \$200 million of borrowing capacity. Principal reductions on the existing borrowings are due and payable in quarterly installments of \$0.75 million beginning in December 2021. Amounts borrowed under the existing term loan agreement will bear interest at a rate of LIBOR plus 2.0% and be due and payable in July 2028. Borrowings under the additional \$200 million borrowing capacity will bear interest at a rate of LIBOR plus 2.50% and be due and payable in July 2031. Principal reductions on any new borrowings will be due and payable in quarterly installments beginning in December 2022 at a rate of 0.25% of the initial outstanding principal balance through September 2026 and at a rate of 0.625% of the initial outstanding principal balance from December 2026 through the maturity date. Additionally, the consolidated leverage ratio, as defined in the agreement, may not be greater than 3.75 to 1.00 as of the end of any fiscal quarter. There were no significant changes to other terms of the term loan agreement.

## Exhibits

Exhibit Number	Description of Documents
Exhibit 4.1	<a href="#">Form of Eleventh Supplemental Indenture dated as of May 17, 2021, between UScellular and The Bank of New York Mellon Trust Company, N.A., related to \$500,000,000 of UScellular's 5.5% Senior Notes due 2070 is hereby incorporated by reference to Exhibit 2 to UScellular's Registration Statement on Form 8-A dated May 17, 2021.</a>
Exhibit 4.2	<a href="#">First Amended and Restated Credit Agreement, among TDS, Wells Fargo National Association, as administrative agent, and the other lenders thereto, dated as of July 20, 2021, including the form of subsidiary Guaranty, is hereby incorporated by reference to Exhibit 4.1 to TDS' Current Report on Form 8-K dated July 20, 2021.</a>
Exhibit 4.3	<a href="#">First Amended and Restated Credit Agreement, among UScellular, Toronto Dominion (Texas) LLC, as administrative agent, and the other lenders thereto, dated as of July 20, 2021, including the form of subsidiary Guaranty and Subordination Agreement, is hereby incorporated by reference to Exhibit 4.1 to UScellular's Current Report on Form 8-K dated July 20, 2021.</a>
Exhibit 4.4	<a href="#">Supplemental Indenture No. 3 by and among USCC Master Note Trust, USCC Services LLC, U.S. Bank National Association, as Indenture Trustee, dated July 21, 2021, is hereby incorporated by reference to Exhibit 4.3 to UScellular's Quarterly Report on Form 10-Q for the period ended June 30, 2021.</a>
Exhibit 4.5	<a href="#">Amended and Restated Credit Agreement, among TDS, CoBank, ACB, as administrative agent, and the other lenders thereto, dated as of July 30, 2021.</a>
Exhibit 4.6	<a href="#">Third Amended and Restated Credit Agreement, among UScellular, CoBank, ACB, as administrative agent, and the other lenders thereto, dated as of July 30, 2021, is hereby incorporated by reference to Exhibit 4.4 to UScellular's Quarterly Report on Form 10-Q for the period ended June 30, 2021.</a>
Exhibit 10.1	<a href="#">Form of UScellular 2013 Long-Term Incentive Plan 2021 Performance Award Agreement is hereby incorporated by reference to Exhibit 10.1 to UScellular's Quarterly Report on Form 10-Q for the period ended June 30, 2021.</a>
Exhibit 10.2	<a href="#">Form of UScellular 2013 Long-Term Incentive Plan Restricted Stock Unit Award Agreement for awards issued after 2020 is hereby incorporated by reference to Exhibit 10.2 to UScellular's Quarterly Report on Form 10-Q for the period ended June 30, 2021.</a>
Exhibit 10.3	<a href="#">Form of TDS 2020 Long-Term Incentive Plan 2021 Performance Share Award Agreement</a>
Exhibit 10.4	<a href="#">Consulting Agreement between TDS and Scott H. Williamson dated June 7, 2021.</a>
Exhibit 10.5	<a href="#">Amendment No. 1 to Amended and Restated Series 2017-VFN Note Purchase Agreement by and among USCC Receivables Funding LLC, as Transferor, USCC Master Note Trust, as Issuer, USCC Services, LLC, as Servicer, UScellular as Performance Guarantor, and Royal Bank of Canada, as Administrative Agent for owners of the notes, dated June 29, 2021, is hereby incorporated by reference to Exhibit 10.3 from UScellular's Form 10-Q for the period ended June 30, 2021.</a>
Exhibit 31.1	<a href="#">Principal executive officer certification pursuant to Rule 13a-14 of the Securities Exchange Act of 1934.</a>
Exhibit 31.2	<a href="#">Principal financial officer certification pursuant to Rule 13a-14 of the Securities Exchange Act of 1934.</a>
Exhibit 32.1	<a href="#">Principal executive officer certification pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code.</a>
Exhibit 32.2	<a href="#">Principal financial officer certification pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code.</a>
Exhibit 101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
Exhibit 101.SCH	Inline XBRL Taxonomy Extension Schema Document
Exhibit 101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document
Exhibit 101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document
Exhibit 101.LAB	Inline XBRL Taxonomy Label Linkbase Document
Exhibit 101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
Exhibit 104	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the inline document.

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## SIGNATURES

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

TELEPHONE AND DATA SYSTEMS, INC.

\_\_\_\_\_  
(Registrant)

Date: August 6, 2021

/s/ LeRoy T. Carlson, Jr.

\_\_\_\_\_  
LeRoy T. Carlson, Jr.  
President and Chief Executive Officer  
(principal executive officer)

Date: August 6, 2021

/s/ Peter L. Sereda

\_\_\_\_\_  
Peter L. Sereda  
Executive Vice President and Chief Financial Officer  
(principal financial officer)

Date: August 6, 2021

/s/ Anita J. Kroll

\_\_\_\_\_  
Anita J. Kroll  
Vice President - Controller and Chief Accounting Officer  
(principal accounting officer)

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\$500,000,000

**Amended and Restated  
Credit Agreement**

**Dated as of July 30, 2021**

Among

**Telephone and Data Systems, Inc.**  
as the Borrower,  
**CoBank, ACB**

as the Administrative Agent, the Lead Arranger, the Sole Bookrunner and a Lender

and

**The Other Lenders Party Hereto**

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-

**\$500,000,000**

**TELEPHONE AND DATA SYSTEMS, INC.  
AMENDED AND RESTATED CREDIT AGREEMENT**

This AMENDED AND RESTATED CREDIT AGREEMENT ("**Agreement**") is entered into as of July 30, 2021, among TELEPHONE AND DATA SYSTEMS, INC., a Delaware corporation (the "**Borrower**"), each lender from time to time party hereto (collectively, the "**Lenders**" and individually, a "**Lender**"), and COBANK, ACB ("**CoBank**"), a federally chartered instrumentality of the United States, as Administrative Agent (as defined below).

**WHEREAS**, the Loan Parties (as hereinafter defined), CoBank, as administrative agent, and the lenders party thereto from time to time (collectively, the "**Existing Lenders**" and each, individually, an "**Existing Lender**") previously entered in that certain Credit Agreement, dated as of January 6, 2020, as the same has been amended prior to the date hereof (as amended, the "**Prior Credit Agreement**"), pursuant to which the lenders thereunder extended certain financial accommodations to the Borrower as described therein;

**WHEREAS**, the Loan Parties, the Administrative Agent, and the Lenders under the Prior Credit Agreement have agreed to amend and restate the Prior Credit Agreement, and in connection therewith the Borrower has requested that the Lenders provide to the Borrower (a) commitments to fund a delayed draw term loan credit facility in an aggregate principal amount at any time outstanding not to exceed \$300,000,000, and (b) a term loan facility in an aggregate principal amount not to exceed \$200,000,000, all as more particularly set forth in, and subject to the terms and conditions of, this Agreement. In consideration of their mutual covenants and agreements hereinafter set forth and intending to be legally bound hereby, the parties hereto covenant and agree, and amend and restate the Prior Credit Agreement, as follows:

**ARTICLE I.  
DEFINITIONS AND ACCOUNTING TERMS**

1.01 **Defined Terms.** As used in this Agreement, the following terms shall have the meanings set forth below:

"**Administrative Agent**" means CoBank in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

"**Administrative Agent's Office**" means the Administrative Agent's address as set forth on Schedule 10.02, or such other address as the Administrative Agent may from time to time notify to the Borrower and the Lenders.

"**Administrative Questionnaire**" means an Administrative Questionnaire in substantially the form of Exhibit D-2 or any other form approved by the Administrative Agent.

"**Affected Financial Institution**" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"**Affiliate**" means, in relation to the Borrower or any of its Subsidiaries, any Person that would be considered to be an affiliate of the Borrower or any of its Subsidiaries under Rule 144(a) of the Rules and Regulations of the Securities and Exchange Commission, as in effect on the date hereof, if the Borrower or any of its Subsidiaries were issuing securities; and, in relation to any Lender or any other Person, any Person directly or indirectly Controlling, Controlled by or under direct or indirect common Control with the Lender or such other Person.

"**Aggregate Commitments**" means the Commitments of all the Lenders.

"**Agreement**" has the meaning specified in the introductory paragraph hereto.

"**Allocated Amount**" means, with respect to each Existing Lender, an amount equal to such Existing Lender's pro rata share of the Rollover Loan.

"**Anti-Terrorism Laws**" means any Laws relating to financing terrorism, "know your customer" or money laundering, including Executive Order No. 13224, the Patriot Act, the Laws comprising or implementing the Bank Secrecy Act, and the Laws administered by the United States Treasury Department's Office of Foreign Asset Control.

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**"Applicable Percentage"** means with respect to any Lender at any time, the percentage (carried out to the ninth decimal place) of the Aggregate Commitments represented by such Lender's Commitment at such time provided that, in the case of Section 2.12 with respect to payments to be distributed by the Administrative Agent to Lenders, when a Defaulting Lender shall exist, "Applicable Percentage" shall mean the percentage of the Aggregate Commitment (disregarding any Defaulting Lender's Commitment) represented by such Lender's Commitment at such time. If the commitment of each Lender to make Loans has been terminated pursuant to Section 8.02 or if the Aggregate Commitments have expired, then the Applicable Percentage of each Lender shall be determined based on the Applicable Percentage of such Lender most recently in effect, giving effect to any subsequent assignments. The initial Applicable Percentage of each Lender is set forth opposite the name of such Lender on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable.

**"Applicable Rate"** means, from time to time, (a) with respect to Term Loan A-1s, (i) with respect to Eurodollar Rate Loans, 2.00%, (ii) with respect to Base Rate Loans, 1.00%, (b) with respect to Term Loan A-2s, (i) with respect to Eurodollar Rate Loans, 2.50%, (ii) with respect to Base Rate Loans, 1.50% and (c) with respect to the commitment fee described in Section 2.07(a), 0.25%.

**"Approved Fund"** means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

**"Assignee Group"** means two or more Eligible Assignees that are Affiliates of one another or two or more Approved Funds managed by the same investment advisor.

**"Assignment and Assumption"** means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 10.06(b)), and accepted by the Administrative Agent, in substantially the form of Exhibit D-1 or any other form approved by the Administrative Agent.

**"Attributable Indebtedness"** means, on any date, (a) in respect of any capital lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, and (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a capital lease.

**"Audited Financial Statements"** means the audited consolidated balance sheet of the Borrower and its Subsidiaries for the fiscal year ended December 31, 2020, and the related consolidated statements of operations, common stockholders' equity and cash flows for such fiscal year of the Borrower and its Subsidiaries, including the notes thereto.

**"Available Tenor"** means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (a) if the then-current Benchmark is a term rate, any tenor for such Benchmark or (b) otherwise, any payment period for interest calculated with reference to such Benchmark, as applicable, that is or may be used for determining the length of an Interest Period pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to Section 3.03(e).

**"Bail-In Action"** means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

**"Bail-In Legislation"** means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act of 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

**"Base Rate"** means for any day a fluctuating rate per annum equal to the highest of (a) the sum of 1/2 of 1% plus the Federal Funds Rate for such day, (b) the Prime Rate for such day and (c) the sum of (i) 1.00% plus (ii) the Eurodollar Rate (for an Interest Period of one month, determined in accordance with subsection (b) of the definition of Eurodollar Rate). Any change in the Base Rate due to a change in the calculation thereof shall be effective at the opening of business on the first Business Day of each week or, if determined more frequently, at the opening of business on the first Business Day immediately following the date of such determination and without necessity of notice being provided to the Borrower or any other Person.

**"Base Rate Committed Loan"** means a Committed Loan that is a Base Rate Loan.

**"Base Rate Loan"** means a Loan that bears interest based on the Base Rate.

**"Benchmark"** means, initially, LIBOR; provided that if a Benchmark Transition Event, a Term SOFR Transition Event, an Early Opt-in Election or an Other Benchmark Rate Election, as applicable, and its related Benchmark Replacement Date have occurred with respect to LIBOR or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 3.03(b).

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**"Benchmark Replacement"** means, for any Available Tenor,

(a) with respect to any Benchmark Transition Event or Early Opt-in Election, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:

(1) the sum of: (A) Term SOFR and (B) the related Benchmark Replacement Adjustment; provided, that, if the Borrower has provided a notification to the Administrative Agent in writing on or prior to such Benchmark Replacement Date that the Borrower has a Swap Contract in place with respect to any of the Loans as of the date of such notice (which such notification the Administrative Agent shall be entitled to rely upon and shall have no duty or obligation to ascertain the correctness or completeness of), then the Administrative Agent, in its sole discretion, may decide not to determine the Benchmark Replacement pursuant to this clause (a)(1) for such Benchmark Transition Event or Early Opt-in Election, as applicable;

(2) the sum of: (A) Daily Simple SOFR and (B) the related Benchmark Replacement Adjustment;

(3) the sum of: (A) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for Dollar-denominated syndicated credit facilities at such time and (B) the related Benchmark Replacement Adjustment;

(b) with respect to any Term SOFR Transition Event, the sum of (i) Term SOFR and (ii) the related Benchmark Replacement Adjustment; or

(c) with respect to any Other Benchmark Rate Election, the sum of: (i) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for Dollar-denominated syndicated credit facilities at such time and (ii) the related Benchmark Replacement Adjustment;

provided that, (i) in the case of clause (a)(1), if the Administrative Agent decides that Term SOFR is not administratively feasible for the Administrative Agent, then Term SOFR will be deemed unable to be determined for purposes of this definition and (ii) in the case of clause (a)(1) or clause (b) of this definition, the applicable Unadjusted Benchmark Replacement is displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion. If the Benchmark Replacement as determined pursuant to clause (a)(1), (a)(2) or (a)(3), clause (b) or clause (c) of this definition would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

**"Benchmark Replacement Adjustment"** means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement:

(1) for purposes of clauses (a)(1) and (b) of the definition of "Benchmark Replacement," an amount equal to (A) 0.11448% (11.448 basis points) for an Available Tenor of one-month's duration, (B) 0.26161% (26.161 basis points) for an Available Tenor of three-months' duration and (C) 0.42826% (42.826 basis points) for an Available Tenor of six-months' duration;

(2) for purposes of clause (a)(2) of the definition of "Benchmark Replacement," an amount equal to 0.11448% (11.448 basis points);

(3) for purposes of clause (a)(3) of the definition of "Benchmark Replacement," the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Available Tenor of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Available Tenor of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities; and

(4) for purposes of clause (c) of the definition of "Benchmark Replacement," the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Available Tenor of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities.

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**"Benchmark Replacement Conforming Changes"** means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Base Rate," the definition of "Business Day," the definition of "Interest Period," timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

**"Benchmark Replacement Date"** means the earliest to occur of the following events with respect to the then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof);

(b) in the case of clause (c) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein;

(c) in the case of a Term SOFR Transition Event, the date that is thirty (30) days after the Administrative Agent has provided the Term SOFR Notice to the Lenders and the Borrower pursuant to Section 3.03(b)(ii); or

(d) in the case of an Early Opt-in Election or an Other Benchmark Rate Election, the sixth (6<sup>th</sup>) Business Day after the date notice of such Early Opt-in Election or Other Benchmark Rate Election, as applicable, is provided to the Lenders, so long as the Administrative Agent has not received, by 5:00 p.m. (New York City time) on the fifth (5<sup>th</sup>) Business Day after the date notice of such Early Opt-in Election or Other Benchmark Rate Election, as applicable, is provided to the Lenders, written notice of objection to such Early Opt-in Election or Other Benchmark Rate Election, as applicable, from Lenders comprising the Required Lenders.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

**"Benchmark Transition Event"** means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the FRB, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

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**"Benchmark Unavailability Period"** means the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (a) or (b) of that definition has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 3.03 and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 3.03.

**"Beneficial Ownership Certification"** means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

**"Beneficial Ownership Regulation"** means 31 C.F.R. § 1010.230.

**"Benefit Plan"** means any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan."

**"BHC Act Affiliate"** of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

**"Borrower"** has the meaning specified in the introductory paragraph hereto.

**"Borrower Materials"** has the meaning specified in Section 6.02.

**"Borrowing"** means a Committed Borrowing.

**"Business Day"** means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where the Administrative Agent's Office is located and, if such day relates to any Eurodollar Rate Loan, means any such day on which dealings in Dollar deposits are conducted by and between banks in the London interbank eurodollar market.

**"Carlson Family Group"** means any and all of the following persons: (a) LeRoy T. Carlson or his spouse, Margaret Carlson; (b) any child, grandchild, great grandchild or other lineal descendant of LeRoy T. Carlson and Margaret Carlson, including any Person with such relationship by adoption, or the spouse of any such Person; (c) the estate of any of the Persons described in subsections (a) and (b); (d) any trust or similar arrangement, provided that Persons described in subsections (a), (b), or (c) are the beneficiaries of more than fifty percent (50%) of the beneficial interests in such trust or arrangement; (e) the voting trust which expires on June 30, 2035, as amended from time to time, or any successor to such voting trust, including the trustees of such voting trust; and (f) any corporation, partnership, limited liability company or other entity in which Persons identified in subsections (a) through (e) own more than fifty percent (50%) of the voting interests in the election of directors or other management of such entity.

**"Cash Equivalents"** means any of the following types of Investments, to the extent owned by the Borrower or any of its Subsidiaries free and clear of all Liens:

- (a) readily marketable obligations issued or directly and fully guaranteed or insured by the United States of America or any agency or instrumentality thereof; provided that the full faith and credit of the United States of America (including, without limitation, the Federal Deposit Insurance Corporation) is pledged in support thereof;
  - (a) time deposits with, or insured certificates of deposit or bankers' acceptances of, any commercial bank that is a member of the Federal Reserve System and whose deposits are fully insured by the Federal Deposit Insurance Corporation;
  - (b) commercial paper in an aggregate amount of no more than \$20,000,000 per issuer outstanding at any time issued by any Person organized under the laws of any state of the United States of America and rated at least "P-1" (or the then equivalent grade) by Moody's or at least "A-1" (or the then equivalent grade) by S&P or at least "F-1" (or the then equivalent grade) by Fitch, in each case with maturities of not more than 180 days from the date of acquisition thereof;
  - (c) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A by S&P, A2 by Moody's or A by Fitch;
  - (d) demand deposit accounts maintained in the ordinary course of business;
  - (e) money market funds that (i) comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, as amended from time to time, (ii) are rated "AAA" by S&P, "Aaa" by Moody's or "AAA" by Fitch and (iii) have portfolio assets of at least \$1,000,000,000; and
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(f) Investments, classified in accordance with GAAP as current assets of the Borrower or any of its Subsidiaries, in money market investment programs registered under the Investment Company Act of 1940, which are administered by financial institutions that have the highest rating obtainable from any of Moody's, S&P or Fitch, and the portfolios of which are limited solely to Investments of the character, quality and maturity described in clauses (a), (b), (c) and (d) of this definition.

**"Change in Law"** means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements or directives thereunder or issued in connection therewith or in implementation thereof and (y) all requests, rules, guidelines, requirements or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law," regardless of the date enacted, adopted, implemented or issued.

**"Change of Control"** means the occurrence of any of the following:

(a) any event or series of related events (including (i) the sale or issuance (or series of sales or issuances) of Equity Interests of the Borrower by the Borrower or by any holder or holders thereof, or (ii) any merger, consolidation, recapitalization, reorganization or other transaction or arrangement) as a result of which the Carlson Family Group shall together cease to be "beneficial owners" (as defined in Rule 13d3 under the Securities Exchange Act of 1934) of voting interests in the Borrower having the voting power, by class or through a combined total voting power of all classes of Equity Interests of the Borrower, to elect at least a majority of the members of the board of directors of the Borrower;

(b) any "Change in Control" or any other similar event under and as defined in any of the instruments governing any Indebtedness of the Borrower or of any of its Subsidiaries in an aggregate principal amount exceeding \$100,000,000 shall at any time occur; or

(c) an event or series of events by which during any period of 12 consecutive months, a majority of the members of the board of directors or other equivalent governing body of the Borrower cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body.

**"Class"** means, (a) when used in reference to any Loan, whether such Loan is a Term Loan A-1 or a Term Loan A-2, (b) when used in reference to any Commitment, whether such Commitment is a Term Loan A-1 Commitment or a Term Loan A-2 Commitment and (c) when used in reference to any Lender, whether such Lender is a Term Loan A-1 Lender or a Term Loan A-2 Lender.

**"Closing Date"** means January 6, 2020.

**"CoBank Equities"** has the meaning specified in Section 6.13.

**"Code"** means the Internal Revenue Code of 1986, as amended, and the rules and regulations related thereto.

**"Commitment"** means, as to each Lender, the aggregate of its Term Loan A-1 Commitments and its Term Loan A-2 Commitments.

**"Committed Borrowing"** means a borrowing consisting of simultaneous Committed Loans of the same Type and, in the case of Eurodollar Rate Loans, having the same Interest Period made by each of the Lenders pursuant to Section 2.01.

**"Committed Loan Notice"** means a notice of (a) a Committed Borrowing, (b) a conversion of Committed Loans from one Type to the other, or (c) a continuation of Eurodollar Rate Loans, pursuant to Section 2.02(a), which, shall be substantially in the form of Exhibit A or any other form approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the Borrower.

**"Committed Loans"** means, collectively, all Term Loan A-1s and all Term Loan A-2s.

**"Commodity Exchange Act"** means the Commodity Exchange Act (7 U.S.C. § 1 *et seq.*), as amended from time to time, and any successor statute.

**"Compliance Certificate"** means a certificate substantially in the form of Exhibit C or any other form approved by the Administrative Agent.

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**“Connection Income Taxes”** means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

**“Consolidated EBITDA”** means, for any period, an amount equal to the sum of, without duplication, (a) Consolidated Net Income for such period, (b) to the extent received in cash during such period and not already included in the Consolidated Net Income for such period, distributions from unconsolidated entities in which the Borrower directly or indirectly owns an Equity Interest plus (c) the following to the extent each was deducted in calculating such Consolidated Net Income: (i) Consolidated Interest Charges for such period, (ii) the provision for Federal, state, local and foreign income taxes payable by the Borrower and its Subsidiaries for such period (net of any Federal, state, local and foreign income tax credits of the Borrower and its Subsidiaries for such period), (iii) depreciation, amortization and accretion expense and all other non-cash charges deducted from Consolidated Net Income for such period which do not represent a cash item in such period and minus (d) to the extent included in calculating such Consolidated Net Income, all non-cash items increasing Consolidated Net Income for such period; provided that, notwithstanding the foregoing, in no event shall any gain realized by the Borrower or any Subsidiary as a result of the purchase of Indebtedness of the Borrower or any Subsidiary for less than the face value of such Indebtedness be included in Consolidated EBITDA; and provided further that, notwithstanding the foregoing, that (1) when and to the extent that non-cash charges described in clause (c)(iii) above become cash paid items, such amounts shall be deducted from Consolidated EBITDA and (2) when and to the extent that non-cash items described in clause (d) above become cash received items, such amounts shall be added to Consolidated EBITDA.

**“Consolidated Funded Indebtedness”** means, as of any date of determination, for the Borrower and its Subsidiaries on a consolidated basis and without duplication, the sum of (a) the outstanding principal amount of all obligations, whether current or long-term, for borrowed money (including Obligations hereunder) and all obligations evidenced by bonds, debentures, notes, loan agreements or other similar instruments (including, without limitation, all purchase money Indebtedness and all direct obligations arising under letters of credit (including standby and commercial), bankers’ acceptances, bank guaranties, surety bonds and similar instruments); (b) all obligations incurred as the deferred purchase price of property or services (other than (i) trade payables entered into in the ordinary course of business pursuant to ordinary terms and (ii) ordinary course of business purchase price adjustments and earnouts); (c) all reimbursement and other payment obligations with respect to letters of credit, bankers’ acceptances, surety bonds and other similar documents; (d) all obligations evidenced by promissory notes, bonds, debentures or other similar instruments, including all obligations so evidenced that are incurred in connection with the acquisition of property or any business; (e) all indebtedness created under any conditional sale or other title retention agreements or sales of accounts receivable; (f) all non-recourse indebtedness of the kind described in clause (a) through clause (e) secured by Liens on property of the obligor; (g) Attributable Indebtedness in respect of capital leases and Synthetic Lease Obligations; (h) net obligations under any Swap Contract; (i) all Indebtedness of the types referred to in subsections (a) through (h) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which the Borrower or a Subsidiary is a general partner or party to such a joint venture (other than a limited partner in a limited partnership), unless such Indebtedness is expressly made non-recourse to the Borrower or such Subsidiary and (j) all Guarantees in respect of indebtedness of the kind described in clause (a) through clause (h) above; excluding up to \$25,000,000 in the aggregate of contingent liabilities of the Borrower and its Subsidiaries which are not required by GAAP to be recorded on the balance sheet of the Borrower and its Subsidiaries. For all purposes of this Agreement, the term “Consolidated Funded Indebtedness” shall not include, with respect to the Borrower and its Subsidiaries, the contractual and other similar obligations of the Borrower and its Subsidiaries with respect to any Monetization Transactions.

**“Consolidated Interest Charges”** means, for any period, for the Borrower and its Subsidiaries on a consolidated basis, the aggregate amount of interest required to be paid or payable in cash by the Borrower or any of its Subsidiaries during such period on all Consolidated Funded Indebtedness of the Borrower or any of its Subsidiaries outstanding during all or any part of such period, whether such interest was or is required to be reflected as an item of expense or capitalized, including that portion of rent expense treated as interest in accordance with GAAP in respect of capital lease obligations (including, without duplication, the interest for rental payments made with respect to Sale and Leaseback Transactions) and expressly including (a) any commitment fee payable pursuant to [Section 2.07](#) and (b) any other scheduled commitment fee, facility fee, utilization fee or other scheduled fee payable by the Borrower or any Subsidiary in connection with Consolidated Funded Indebtedness of the Borrower or any Subsidiary.

**“Consolidated Interest Coverage Ratio”** means, as of any date of determination, the ratio of (a) Consolidated EBITDA for the period of the four prior fiscal quarters ending on such date to (b) Consolidated Interest Charges for such period, provided that, notwithstanding the foregoing, for the purposes of determination of the Consolidated Interest Coverage Ratio, in no event shall any financial results of any Non-Subsidiary Variable Interest Entity be included in such determination, except to the extent Consolidated Interest Charges are computed on Indebtedness of any such Non-Subsidiary Variable Interest Entity which is required by subsection (i) of the definition of Consolidated Funded Indebtedness to be included therein.

**“Consolidated Leverage Ratio”** means, as of any date of determination, the ratio of (a) Consolidated Funded Indebtedness as of such date to (b) Consolidated EBITDA for the period of the four fiscal quarters most recently ended, provided that, notwithstanding the foregoing, for the purposes of determination of the Consolidated Leverage Ratio, in no event shall any financial results of any Non-Subsidiary Variable Interest Entity be included in such determination, except to the extent Indebtedness of any such Non-Subsidiary Variable Interest Entity is required by subsection (i) of the definition of Consolidated Funded Indebtedness to be included therein.

**“Consolidated Net Income”** means, for any period, for the Borrower and its Subsidiaries on a consolidated basis, the net income of the Borrower and its Subsidiaries (excluding extraordinary gains and extraordinary losses) for that period, determined in accordance with GAAP; provided that, notwithstanding anything herein to the contrary, net income attributable to Non-Subsidiary Variable Interest Entities shall be excluded from the calculation of Consolidated Net Income.

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**"Consolidated Total Assets"** means, as at any date, all assets of the Borrower and its Subsidiaries determined on a consolidated basis in accordance with GAAP.

**"Contractual Obligation"** means, as to any Person, any provision of any security issued by such Person or of any material agreement, material instrument or other material undertaking to which such Person is a party or by which it or any material amount of its property is bound.

**"Control"** means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. **"Controlling"** and **"Controlled"** have meanings correlative thereto.

**"Corresponding Tenor"** with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

**"Covered Entity"** means any of the following: (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

**"Covered Party"** has the meaning given such term in [Section 10.25](#).

**"Daily Simple SOFR"** means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining "Daily Simple SOFR" for syndicated business loans; provided, that if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion.

**"Debt Rating"** means, as of any date of determination, the S&P Rating, Moody's Rating or Fitch Rating (collectively, such ratings referred to as the **"Debt Ratings"**).

**"Debtor Relief Laws"** means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

**"Default"** means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

**"Default Rate"** means an interest rate equal to (a) the Base Rate plus (b) the Applicable Rate, if any, applicable to Base Rate Loans plus (c) 2% per annum; provided, however, that with respect to a Eurodollar Rate Loan, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Rate) otherwise applicable to such Loan plus 2% per annum.

**"Default Right"** has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

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**"Defaulting Lender"** means, subject to Section 2.12(b), any Lender that (a) has failed to (i) fund all or any portion of the Committed Loans required to be funded by it hereunder within two Business Days of the date such Loans were required to be funded by it hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within two Business Days of the date when due, (b) has notified the Borrower, or the Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the FDIC or any other state or federal regulatory authority acting in such a capacity, or (iii) become the subject of a Bail-In Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.12(b)) upon delivery of written notice of such determination to the Borrower and each Lender.

**"Designated Jurisdiction"** means any country or territory to the extent that such country or territory itself is the subject of any Sanction.

**"Disposition"** or **"Dispose"** means any sale, transfer, or other disposition of any property by any Person, including without limitation (a) any Sale and Leaseback Transaction and (b) any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

**"Dollar"** and **"\$"** mean lawful money of the United States.

**"Domestic Subsidiary"** means any Subsidiary that is organized under the laws of any political subdivision of the United States.

**"Early Opt-in Election"** means, if the then-current Benchmark is LIBOR, the occurrence of:

(a) a notification by the Administrative Agent to (or the request by the Borrower to the Administrative Agent to notify) each of the other parties hereto that at least five currently outstanding Dollar-denominated syndicated credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate (and such syndicated credit facilities are identified in such notice and are publicly available for review), and

(b) the joint election by the Administrative Agent and the Borrower to trigger a fallback from LIBOR and the provision by the Administrative Agent of written notice of such election to the Lenders.

**"EEA Financial Institution"** means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

**"EEA Member Country"** means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

**"EEA Resolution Authority"** means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegatee) having responsibility for the resolution of any EEA Financial Institution.

**"Electronic Record"** has the meaning assigned to that term in, and shall be interpreted in accordance with, 15 U.S.C. 7006.

**"Electronic Signature"** has the meaning assigned to that term in, and shall be interpreted in accordance with, 15 U.S.C. 7006.

**"Eligible Assignee"** means any Person that meets the requirements to be an assignee under Section 10.06(b)(iii) and (v) (subject to such consents, if any, as may be required under Section 10.06(b)(iii)).

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**“Environmental Laws”** means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

**“Environmental Liability”** means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower, any Loan Party or any of their respective Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

**“Equity Interests”** means, with respect to any Person, all of the outstanding shares of capital stock of (or other ownership or profit interests in) such Person, all of the outstanding warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the outstanding securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other outstanding ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not the shares underlying such warrants, options, rights or other interests are outstanding on any date of determination.

**“ERISA”** means the Employee Retirement Income Security Act of 1974, as amended from time to time.

**“ERISA Affiliate”** means any trade or business (whether or not incorporated) under common control with the Borrower within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

**“ERISA Event”** means (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by the Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the Borrower or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) with respect to a Pension Plan or Multiemployer Plan that does not hold assets that, as of the termination date, equal or exceed its “benefit liabilities”, as such term is defined in Section 4001(a)(16) of ERISA, the filing of a notice of intent to terminate, the treatment of a Plan amendment as a termination under Section 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (e) an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; or (f) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any ERISA Affiliate.

**“Erroneous Payment”** has the meaning assigned thereto in [Section 9.13\(a\)](#).

**“EU Bail-In Legislation Schedule”** means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

**“Eurodollar Rate”** means, subject to the implementation of a Benchmark Replacement in accordance with [Section 3.03](#):

(a) For any Interest Period with respect to a Eurodollar Rate Loan, an interest rate per annum equal to LIBOR for such Interest Period; or

(b) For any interest rate calculation with respect to a Base Rate Loan, the rate per annum (rounded upward, if necessary, to the next whole multiple of 1/100 of 1%) equal to LIBOR for an Interest Period of one month.

Notwithstanding the foregoing, if the Eurodollar Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

**“Eurodollar Rate Loan”** means a Committed Loan that bears interest at a rate based on [clause \(a\)](#) of the definition of Eurodollar Rate.

**“Event of Default”** has the meaning specified in [Section 8.01](#).

**“Excluded Subsidiary”** means Suttle-Straus, Inc.

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**“Excluded Swap Obligation”** means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guaranty of such Guarantor of such Swap Obligation (or any Guaranty thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act (determined after giving effect to [Section 10.23](#) and any other “keepwell, support or other agreement” for the benefit of such Guarantor and any and all guarantees of such Guarantor’s Swap Obligations by other Loan Parties) at the time the Guaranty of such Guarantor becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guaranty or security interest is or becomes excluded in accordance with the first sentence of this definition.

**“Excluded Taxes”** means any of the following Taxes imposed on or with respect to any Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under [Section 10.13](#)) or (ii) such Lender changes its Lending Office, except in each case to the extent that, pursuant to [Section 3.01\(a\)\(ii\)](#), [\(a\)\(iii\)](#) or (c), amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its Lending Office, (c) Taxes attributable to such Recipient’s failure to comply with [Section 3.01\(e\)](#) and (d) any withholding Taxes imposed pursuant to FATCA.

**“Existing Receivables Securitization”** means any transaction evidenced by the documents listed on Schedule 1.01(b) and with respect to which the Borrower has complied with the last sentence of the definition of “Receivables Securitization” in this Agreement prior to July 30, 2021.

**“Farm Credit Lender”** means a federally-chartered Farm Credit System lending institution organized under the Farm Credit Act of 1971.

**“FASB ASC”** means the Accounting Standards Codification of the Financial Accounting Standards Board.

**“FATCA”** means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code.

**“FCC”** means The Federal Communications Commission (or any successor agency, commission, bureau, department or other political subdivision) of the United States.

**“Federal Funds Rate”** means, for any day, the rate of interest per annum (rounded upward, if necessary, to the nearest whole multiple of 1/100th of 1%) equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System on such day, as published by the Federal Reserve Bank of New York on such date, or if no such rate is so published on such day, on the most recent day preceding such day on which such rate is so published.

**“Fee Letter”** means the letter agreement, dated June 21, 2021, between the Borrower and CoBank, ACB.

**“Fitch”** means Fitch Ratings, Inc., and any successor thereto.

**“Fitch Rating”** means, at any time, the rating issued by Fitch and then in effect with respect to the Borrower’s public corporate credit rating.

**“Floor”** means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to LIBOR.

**“Foreign Lender”** means any Lender that is organized under the Laws of a jurisdiction other than the United States, each State thereof and the District of Columbia.

**“FRB”** means the Board of Governors of the Federal Reserve System of the United States.

**“Fund”** means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

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**“GAAP”** means, except to the extent provided in [Section 1.03](#), generally accepted accounting principles in the United States as in effect from time to time and set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination.

**“Governmental Authority”** means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

**“Guarantee”** means, as to any Person without duplication, (a) any payment obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness payable by another Person (the **“primary obligor”**) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness of the payment of such Indebtedness, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness of any other Person, whether or not such Indebtedness is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien), provided that the term “Guarantee” shall not include endorsements for collection or deposit, in either case in the ordinary course of business, or customary and reasonable indemnity obligations in effect on the Closing Date or entered into in connection with any acquisition or disposition of assets permitted under this Agreement (other than such obligations with respect to Indebtedness). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary payment obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term **“Guarantee”** as a verb has a corresponding meaning.

**“Guaranteed Hedge Agreement”** means any Swap Contract permitted under [Article VI](#) or [VII](#) that is entered into by and between any Loan Party and any Hedge Bank.

**“Guaranteed Parties”** means, collectively, the Administrative Agent, the Lenders, the Hedge Banks, each co-agent or sub-agent appointed by the Administrative Agent from time to time pursuant to [Section 9.05](#).

**“Guaranteed Party Designation Notice”** means a notice from any Lender or an Affiliate of a Lender substantially in the form of [Exhibit H](#).

**“Guarantors”** means, collectively, (a) the Domestic Subsidiaries of the Borrower listed on [Schedule 5.13](#) and each other direct Domestic Subsidiary that is a Material Subsidiary of the Borrower that shall be required to execute and deliver a Guaranty or guaranty supplement pursuant to [Section 6.14](#); provided that none of U.S. Cellular or the Excluded Subsidiary nor any of their Subsidiaries shall be a Guarantor and (b) with respect to (i) Obligations owing by any Loan Party or any Subsidiary of a Loan Party (other than the Borrower) under any Swap Contract and (ii) the payment and performance by each Specified Loan Party of its obligations under its Guaranty with respect to all Swap Obligations, the Borrower.

**“Guaranty”** means, collectively, the Guaranty made by the Guarantors in favor of the Guaranteed Parties, substantially in the form of [Exhibit I](#), together with each other guaranty and guaranty supplement delivered pursuant to [Section 6.14](#).

**“Guaranty Release Date”** means the date that all of the following conditions have been satisfied: (a) no Default exists, (b) at least two of S&P Rating, Moody’s Rating or Fitch Rating is greater than or equal to BBB-, Baa3 or BBB-, respectively, (c) there are no Guarantees by the Borrower or any Subsidiaries of the Revolving Loan Facility, the U.S. Cellular Term Loan Facility or of the U.S. Cellular Revolving Loan Facility (or any such Guarantee shall be released substantially concurrently with the Guaranty Release Date) and (d) there is no outstanding Pari Passu Guaranteed Indebtedness (or, if there is outstanding Pari Passu Guaranteed Indebtedness as of such date, all Guarantees of such Pari Passu Guaranteed Indebtedness shall be released substantially concurrently with the Guaranty Release Date).

**“Guaranty Release Period”** means any period commencing on the date on which a Guaranty Release Date occurs and ending on the date on which a Guaranty Trigger Event occurs.

**“Guaranty Trigger Event”** has the meaning specified in [Section 6.14\(b\)](#).

**“Hazardous Materials”** means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

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**"Hedge Bank"** means any Person that, at the time it enters into a Swap Contract permitted under [Article VI](#) or [VII](#), is the Administrative Agent, a Lender or an Affiliate of a Lender, in its capacity as a party to such Swap Contract.

**"HMT"** has the meaning specified in the definition of Sanctions.

**"Indebtedness"** means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

- (a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;
- (b) all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments;
- (c) net obligations of such Person under any Swap Contract;
- (d) all obligations of such Person to pay the deferred purchase price of property or services (other than (i) trade accounts payable in the ordinary course of business and, in each case, not past due for more than 120 days after the date on which such trade account payable was due (unless such trade account is the subject of a good faith dispute), and (ii) any earn-out obligation until such obligation becomes a liability on the balance sheet of such Person in accordance with GAAP);
- (e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;
- (f) capital leases and Synthetic Lease Obligations;
- (g) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment, in each case, solely to the extent such payment is required to be made in cash, in respect of any Equity Interest in such Person or any other Person, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends;
- (h) all obligations of such Person (i) to pay deferred compensation to employees, (ii) with respect to purchase price adjustments on acquisitions and (iii) to return customer deposits, but only in each case to the extent that any such obligation described in subsection (i), (ii) or (iii) preceding remains unpaid for more than 120 days after the date on which such obligation was to be paid (unless such obligation is the subject of a good faith dispute), and
- (i) all Guarantees of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include, without duplication, the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a party to such a joint venture (other than a limited partner in a limited partnership), unless such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date. The amount of any capital lease or Synthetic Lease Obligation as of any date shall be deemed to be the amount of Attributable Indebtedness in respect thereof as of such date.

**"Indemnified Taxes"** means Taxes other than Excluded Taxes.

**"Indemnitees"** has the meaning specified in [Section 10.04\(b\)](#).

**"Information"** has the meaning specified in [Section 10.07](#).

**"Interest Payment Date"** means, (a) as to any Loan other than a Base Rate Loan, the last day of each Interest Period applicable to such Loan and the Maturity Date; provided, however, that if any Interest Period for a Eurodollar Rate Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates; and (b) as to any Base Rate Loan, the last Business Day of each March, June, September and December and the Maturity Date.

**"Interest Period"** means, as to each Eurodollar Rate Loan, the period commencing on the date such Eurodollar Rate Loan is disbursed or converted to or continued as a Eurodollar Rate Loan and ending on the date one, three or six months thereafter, as selected by the Borrower in its Committed Loan Notice or such other period that is twelve months or less requested by the Borrower and consented to by all the Lenders; provided that:

- (i) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(ii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(iii) no Interest Period shall extend beyond the Maturity Date.

**“Investment”** means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests, debt or other securities of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of Indebtedness of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor Guarantees Indebtedness of such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute a business unit. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

**“IRS”** means the United States Internal Revenue Service.

**“Laws”** means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

**“Lender”** has the meaning specified in the introductory paragraph hereto.

**“Lending Office”** means, as to any Lender, the office or offices of such Lender described as such in such Lender’s Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrower and the Administrative Agent.

**“LIBOR”** means, with respect to any Interest Period, a rate of interest reported by Bloomberg Information Services (or on any successor or substitute service providing rate quotations comparable to those currently provided by such service, as determined by the Administrative Agent from time to time, for the purpose of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for dollar deposits with a maturity comparable to such Interest Period; provided that, in the event the Administrative Agent is not able to determine LIBOR using such methodology, the Administrative Agent shall notify the Borrower and the Administrative Agent and the Borrower will agree upon a substitute basis for obtaining such quotations.

**“LIBOR Screen Rate”** means the LIBOR quote on the applicable screen page the Administrative Agent designates to determine LIBOR (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time).

**“Lien”** means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

**“Loan”** means an extension of credit by a Lender to the Borrower under Article II in the form of a Committed Loan.

**“Loan Documents”** means this Agreement, the Guaranty, each Note and the Fee Letter.

**“Loan Parties”** means, collectively, the Borrower and each Guarantor.

**“London Banking Day”** means any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank Eurodollar market.

**“Material Adverse Effect”** means (a) a material adverse change in, or a material adverse effect upon, the financial condition or business of the Borrower and its Subsidiaries taken as a whole; or (b) a material impairment of the rights and remedies of the Administrative Agent or any Lender under any Loan Document; or (c) a material impairment of the ability of the Guarantors, taken as a whole, or the Borrower, to perform their obligations under any Loan Document to which they are a party; or (d) a material adverse effect upon the legality, validity, binding effect or enforceability against the Guarantors, taken as a whole, or the Borrower, of any Loan Document to which they are a party.

**“Material Domestic Subsidiary”** means any direct Domestic Subsidiary of the Borrower that is a Material Subsidiary; provided, however, that none of U.S. Cellular or the Excluded Subsidiary nor any of their Subsidiaries shall be a Material Domestic Subsidiary.

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**“Material Subsidiary”** means any Subsidiary that is directly or indirectly owned by the Borrower and whose total assets constitute at least 1% of Consolidated Total Assets or whose gross revenues determined in accordance with GAAP constitute at least 1% of the consolidated gross revenues of the Borrower and its Subsidiaries calculated in accordance with GAAP, and “Material Subsidiaries” means collectively each Material Subsidiary.

**“Maturity Date”** means, (a) with respect to the Term Loan A-1 Facility, the earlier of (i) the date of acceleration of the Obligations in accordance with Section 9.2 and (ii) July 30, 2028, and (b) with respect to the Term Loan A-2 Facility, the earlier of (i) the date of acceleration of the Obligations in accordance with Section 9.2 and (ii) July 30, 2031; provided, however, that, if such date is not a Business Day, the Maturity Date shall be the next preceding Business Day.

**“Monetization Transaction”** means, with respect to any Specified Equity Interests owned by the Borrower or any of its Subsidiaries, any transaction, agreement, device or arrangement (A) which results in the Borrower or any Subsidiary receiving payments on account of entering into contractual or other similar obligations and granting rights in, to or with respect to such Specified Equity Interests, or (B) by which the Borrower or any Subsidiary hedges against price fluctuation with respect to such Specified Equity Interests.

**“Moody’s”** means Moody’s Investors Service, Inc. and any successor thereto.

**“Moody’s Rating”** means, at any time, the rating issued by Moody’s and then in effect with respect to the Borrower’s public corporate credit rating.

**“Multiemployer Plan”** means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Borrower or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

**“Net Proceeds”** means with respect to each Disposition by the Borrower or any of its Subsidiaries under Section 7.05(g), the excess, if any, of (a) the sum of cash and all other assets received in connection with such Disposition (including without limitation, any cash, cash equivalents, notes, and all other assets received, including by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise) over (b) the sum of (i) the principal amount of any Indebtedness that is secured by the applicable asset (so long as such security interest was not granted in anticipation of the Disposition of such asset) and that is required to be repaid in connection with such transaction (other than Indebtedness under the Loan Documents), (ii) the reasonable and customary out-of-pocket expenses incurred by the Borrower or such Subsidiary in connection with such transaction (including reasonable brokers’ fees or commissions, legal, accounting and other professional and transactional fees) and (iii) income taxes reasonably estimated to be actually payable within two years of the date of the relevant transaction as a result of any gain recognized in connection therewith; provided that, if the amount of any estimated taxes pursuant to subsection (iii) exceeds the amount of taxes actually required to be paid in cash in respect of such Disposition, the aggregate amount of such excess shall constitute Net Proceeds.

**“Non-Defaulting Lender”** means, at any time, each Lender that is not a Defaulting Lender at such time.

**“Non-Subsidiary Variable Interest Entity”** means, at any time, a Variable Interest Entity that is not a Subsidiary. Schedule 1.01(a) identifies the entities that are Non-Subsidiary Variable Interest Entities as of the date hereof.

**“Note”** means a promissory note made by the Borrower in favor of a Lender evidencing Loans made by such Lender, substantially in the form of Exhibit B.

**“Obligations”** means all advances to, and debts, liabilities, obligations, covenants and duties of any Loan Party arising under any Loan Document or otherwise with respect to any Loan or Guaranteed Hedge Agreement, in each case whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding; provided that the Obligations shall exclude any Excluded Swap Obligations.

**“OFAC”** means the Office of Foreign Assets Control of the United States Department of the Treasury.

**“Ordinary Capital Expenditures”** means, with respect to any Special Entity or Subsidiary, capital expenditures incurred in the ordinary course of business consistent with past practices that are either related to maintenance or are ordinary course acquisitions that are identified with an existing and ongoing project of such Special Entity or Subsidiary.

**“Organization Documents”** means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

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**"Other Benchmark Rate Election"** means, if the then-current Benchmark is LIBOR, the occurrence of:

(a) a notification by the Administrative Agent to (or the request by the Borrower to the Administrative Agent to notify) each of the other parties hereto that at least five currently outstanding Dollar-denominated syndicated credit facilities at such time contain (as a result of amendment or as originally executed), in lieu of a LIBOR-based rate, a term benchmark rate that is not a SOFR-based rate as a benchmark rate (and such syndicated credit facilities are identified in such notice and are publicly available for review), and

(b) the joint election by the Administrative Agent and the Borrower to trigger a fallback from LIBOR and the provision by the Administrative Agent of written notice of such election to the Lenders.

**"Other Connection Taxes"** means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

**"Other Taxes"** means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 3.06).

**"Outstanding Amount"** means with respect to any Class of Committed Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of such Class of Committed Loans occurring on such date.

**"Pari Passu Guaranteed Indebtedness"** means, the Indebtedness of the Borrower and the Subsidiary Guarantees thereof permitted by Sections 7.03(h) and 7.03(i).

**"Participant"** has the meaning specified in Section 10.06(d).

**"Participant Register"** has the meaning specified in Section 10.06(d).

**"Patriot Act"** has the meaning specified in Section 5.18(a).

**"PBGC"** means the Pension Benefit Guaranty Corporation.

**"Pension Plan"** means any "employee pension benefit plan" (as such term is defined in Section 3(2) of ERISA), other than a Multiemployer Plan, that is subject to Title IV of ERISA and is sponsored or maintained by the Borrower or any ERISA Affiliate or to which the Borrower or any ERISA Affiliate contributes or has an obligation to contribute, or in the case of a multiple employer or other plan described in Section 4064(a) of ERISA, has made contributions at any time during the immediately preceding five plan years.

**"Permitted Equal and Ratable Lien"** has the meaning specified in clause (L) of the proviso to Section 7.08(a).

**"Person"** means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

**"Plan"** means any "employee benefit plan" (as such term is defined in Section 3(3) of ERISA) established by the Borrower or, with respect to any such plan that is subject to Section 412 of the Code or Title IV of ERISA, any ERISA Affiliate.

**"Platform"** has the meaning specified in Section 6.02.

**"Prepayment Notice"** means a notice of prepayment of Committed Loans pursuant to Section 2.03(a), which shall be substantially in the form of Exhibit J or any other form approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the Borrower.

**"Prime Rate"** means a variable rate of interest per annum equal to the "U.S. prime rate" as reported on such day in the Money Rates Section of the Eastern Edition of *The Wall Street Journal*, or if the Eastern Edition of *The Wall Street Journal* is not published on such day, such rate as last published in the Eastern Edition of *The Wall Street Journal*. In the event the Eastern Edition of *The Wall Street Journal* ceases to publish such rate or an equivalent on a regular basis, the term "Prime Rate" shall be determined on any day by reference to such other regularly published average prime rate for such date applicable to such commercial banks as is acceptable to the Administrative Agent in its sole discretion. Any change in Prime Rate shall be automatic, without the necessity of notice provided to the Borrower or any other Person.

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**"Pro Forma Basis"** means, for purposes of calculating Consolidated EBITDA for any period during which one or more Specified Transactions occurs, that such Specified Transaction (and all other Specified Transactions that have been consummated during the applicable period) shall be deemed to have occurred as of the first day of the applicable period of measurement and all income statement items (whether positive or negative) attributable to the property or Person disposed of in a Specified Disposition shall be excluded and all income statement items (whether positive or negative) attributable to the property or Person acquired in a Specified Acquisition shall be included (provided that such income statement items to be included are reflected in financial statements or other financial data reasonably acceptable to the Administrative Agent and based upon reasonable assumptions and calculations which are expected to have a continuing impact).

**"PTE"** means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time."

**"Public Lender"** has the meaning specified in Section 6.02.

**"QFC"** has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

**"QFC Credit Support"** has the meaning given such term in Section 10.25.

**"Qualified ECP Guarantor"** shall mean, at any time, each Loan Party with total assets exceeding \$10,000,000 or that qualifies at such time as an "eligible contract participant" under the Commodity Exchange Act and can cause another person to qualify as an "eligible contract participant" at such time under §1a(18)(A)(v)(II) of the Commodity Exchange Act.

**"Receivables Securitization"** means any (a) secured lending or other financing facility entered into by a Securitization Entity solely for the purpose of purchasing or financing Securitization Assets of U.S. Cellular and/or its Subsidiaries, provided that (i) no portion of the Indebtedness or any other obligations (contingent or otherwise) of such Securitization Entity (A) is Guaranteed by, recourse to or otherwise obligates the Borrower or any of its Subsidiaries (except pursuant to Standard Securitization Undertakings or the Recourse Guaranty) or (B) subjects any property or asset of the Borrower or any other Subsidiary, directly or indirectly, contingently or otherwise, to the satisfaction thereof (except Standard Securitization Undertakings or the Recourse Guaranty), (ii) such Securitization Entity engages in no business and incurs no Indebtedness or other liabilities or obligations other than those related to or incidental to such facility, (iii) other than the initial Investment in such facility (which may, for avoidance of doubt, include Standard Securitization Undertakings) neither the Borrower nor any of its other Subsidiaries is required to make additional Investments in connection with such facility, (iv) none of the Borrower or any other Subsidiary has any material contract, agreement, arrangement or understanding with such Securitization Entity (except pursuant to Standard Securitization Undertakings or the Recourse Guaranty), (v) neither the Borrower nor any of its Subsidiaries (except such Securitization Entity) has any obligation to maintain such Securitization Entity's financial condition or cause such Securitization Entity to achieve certain levels of operating results, and (vi) no Event of Default exists as of the effective date of such secured lending or other financing facility or (b) Existing Receivables Securitization. On or prior to the entry into a Receivables Securitization under clause (a) of the preceding sentence, the Borrower shall deliver to the Administrative Agent a certificate executed by a Responsible Officer of the Borrower (I) evidencing the designation of a Subsidiary as a Securitization Entity by the Board of Directors of U.S. Cellular and (II) certifying that such Receivables Securitization complies with the foregoing conditions.

**"Recipient"** means the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of any Loan Party hereunder.

**"Recourse Guaranty"** means any general recourse guarantee by U.S. Cellular or any of its Subsidiaries of Indebtedness pursuant to a Receivables Securitization, which guarantee is either unsecured or secured solely by a pledge of the Equity Interests of the Securitization Entity that is a party to such Receivables Securitization, and only to the extent that such guaranty is permitted by the U.S. Cellular Revolving Loan Facility.

**"Reference Time"** with respect to any setting of the then-current Benchmark means (1) if such Benchmark is LIBOR, 11:00 a.m. (London time) on the day that is two (2) London Banking Days preceding the date of such setting, and (2) if such Benchmark is not LIBOR, the time determined by the Administrative Agent in its reasonable discretion.

**"Register"** has the meaning specified in Section 10.06(c).

**"Related Parties"** means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, advisors and representatives of such Person and of such Person's Affiliates.

**"Relevant Governmental Body"** means the FRB and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the FRB and/or the Federal Reserve Bank of New York or any successor thereto.

**"Reportable Event"** means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30 day notice period has been waived.

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**"Required Lenders"** means, as of any date of determination, (a) Lenders (including Voting Participants) having more than 50% of (x) the Aggregate Commitments plus (y) the Total Outstandings or, (b) if the commitment of each Lender to make Loans has expired or has been terminated pursuant to [Section 2.04](#) and/or [Section 8.02](#), Lenders (including Voting Participants) holding in the aggregate more than 50% of the Total Outstandings; provided that the Commitment of, and the portion of the Total Outstandings held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

**"Resolution Authority"** means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

**"Responsible Officer"** means the President and Chief Executive Officer, Executive Vice President and Chief Financial Officer, Vice President and Treasurer, or Vice President-Controller and Chief Accounting Officer of the Borrower or the chairman, president, chief executive officer, chief financial officer, chief accounting officer, treasurer, controller, secretary or any vice president of the applicable Loan Party and, solely for purposes of notices given pursuant to [Article II](#), any other officer or employee of the Borrower so designated by any two of the foregoing officers in a notice to the Administrative Agent or any other officer or employee of the Borrower designated in or pursuant to an agreement between the Borrower and the Administrative Agent. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

**"Restricted Payment"** means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interest of the Borrower or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Equity Interest, or on account of any return of capital to the Borrower's stockholders, partners or members (or the equivalent Person thereof).

**"Revolving Loan Facility"** means that certain First Amended and Restated Credit Agreement dated as of July 20, 2021, among the Borrower, Wells Fargo Bank, National Association, as the administrative agent and certain other lenders and financial institutions party thereto from time to time, as amended, restated, extended, supplemented, replaced, refinanced or otherwise modified from time to time in accordance with the terms thereof to the extent permitted under the Loan Documents.

**"Rollover Loan"** means the "Committed Loan" (as such term is defined in the Prior Credit Agreement) in an aggregate principal amount of \$199,500,000 under the Prior Credit Agreement currently bearing interest at the rate set forth in the Prior Credit Agreement with an interest period ending on September 30, 2021, which will be subject to a "cashless roll" pursuant to the provisions of [Section 2.01\(a\)\(ii\)](#)

**"S&P"** means Standard and Poor's Rating Services, a Standard & Poor's Financial Services LLC business, and any successor thereto.

**"S&P Rating"** means, at any time, the rating issued by S&P, and then in effect with respect to the Borrower's public corporate credit rating.

**"Sale and Leaseback Transaction"** means any arrangement with any Person providing for the leasing (as lessee) by the Borrower or any of its Subsidiaries of any property (the primary purpose of the transaction of which such lease is a part is not to provide funds to or financing for the Borrower or any Subsidiary), which property has been or is to be sold or transferred by the Borrower or any Subsidiary to a Subsidiary or any other Person in contemplation of or in connection with such arrangement.

**"Sanction(s)"** means any economic or financial sanctions or trade embargoes imposed, administered or enforced by the United States Government (including without limitation, OFAC), the United Nations Security Council, the European Union, Her Majesty's Treasury ("HMT") or other relevant sanctions authority.

**"SEC"** means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

**"Securitization Assets"** means accounts receivable of U.S. Cellular or any of its Subsidiaries arising from equipment installment plans and other similar consumer equipment financing arrangements, and any assets related thereto including, without limitation, all collateral securing such accounts receivable, all contracts and all guarantees or other obligations in respect of such accounts receivable, the proceeds of such accounts receivable and other assets which are customarily transferred, or in respect of which security interests are customarily granted, in connection with securitizations involving such accounts receivable.

**"Securitization Entity"** means, as to U.S. Cellular, or any of its Subsidiaries, any bankruptcy-remote, special purpose corporation, partnership, trust, limited liability company or other business entity that is formed by and will remain wholly-owned by U.S. Cellular or any of its Subsidiaries for the sole and exclusive purpose of purchasing or financing Securitization Assets pursuant to a Receivables Securitization and which is designated by the Board of Directors of U.S. Cellular as a Securitization Entity in accordance with the terms of this Agreement.

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"**SOFR**" means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator's Website on the immediately succeeding Business Day.

"**SOFR Administrator**" means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

"**SOFR Administrator's Website**" means the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

"**Special Entity**" means a Person (other than a Subsidiary) (a) listed on [Schedule 1.01\(a\)](#) and in existence on the Closing Date or (b) created after the Closing Date and with respect to which (i) the Borrower or any Subsidiary has made an equity Investment and directly or indirectly owns a minority interest, or any Special Entity has made an Investment and directly or indirectly owns an interest and (ii) the Borrower has delivered prior written notice to the Administrative Agent of the creation of such Special Entity and its designation as a Special Entity.

"**Specified Acquisition**" means (a) any acquisition for consideration equal to or greater than \$50,000,000 or (b) any other acquisition designed as a "Specified Acquisition" by the Borrower in the applicable Compliance Certificate.

"**Specified Disposition**" means (a) any Disposition having gross sales proceeds equal to or greater than \$50,000,000 or (b) any other Disposition designed as a "Specified Disposition" by the Borrower in the applicable Compliance Certificate.

"**Specified Equity Interests**" means Equity Interests owned by the Borrower or any of its Subsidiaries in any Person or Persons that (a) are not directly, or indirectly through one or more intermediaries, Controlled by the Borrower or by any of its Subsidiaries and (b) are either disclosed on [Schedule 5.13](#), or acquired by the Borrower after the Closing Date in connection with an acquisition expressly permitted under [Section 7.02](#) or a divestiture expressly permitted under [Section 7.05](#).

"**Specified Loan Party**" means any Loan Party that is not an "eligible contract participant" under the Commodity Exchange Act (determined prior to giving effect to [Section 10.23](#)).

"**Specified Pari Debt**" has the meaning specified in clause (L) of the proviso to [Section 7.08\(a\)](#).

"**Specified Transactions**" means (a) any Specified Disposition and (b) any Specified Acquisition.

"**Standard Securitization Undertakings**" means representations, warranties, covenants, indemnities and other obligations, including with respect to servicing obligations (provided that, in no event shall any such obligations constitute Indebtedness) made or provided by U.S. Cellular or any of its Subsidiaries in connection with a Receivables Securitization (a) of a type and on terms customary for comparable transactions and of a character appropriate for the assets being securitized and (b) which have been negotiated at arm's length with an unaffiliated third party; provided that any such undertaking by and between U.S. Cellular or any of its Subsidiaries and a Securitization Entity shall be excluded from the requirement in this clause (b) if (i) clause (a) is satisfied and (ii) such undertaking is in connection with a Receivables Securitization involving an unaffiliated third party.

"**Subsidiary**" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise Controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Borrower. For the avoidance of doubt, no Non-Subsidiary Variable Interest Entity shall be considered a "Subsidiary" hereunder for any purpose other than solely as contemplated by [Section 1.03\(c\)](#).

"**Supported QFC**" has the meaning given such term in [Section 10.25](#).

"**Swap Contract**" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "**Master Agreement**"), including any such obligations or liabilities under any Master Agreement.

"**Swap Obligations**" means with respect to any Guarantor any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of Section 1a(47) of the Commodity Exchange Act.

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**"Swap Termination Value"** means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in subsection (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

**"Synthetic Lease Obligation"** means the monetary obligation of a Person in connection with a transaction that is (a) treated and accounted for as a lease in the financial statements of such Person but (b) treated and accounted for as indebtedness in the tax statements of such Person, but in any case which, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

**"Taxes"** means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

**"Term Loan A-1"** has the meaning specified in [Section 2.01\(a\)](#).

**"Term Loan A-1 Commitment"** means, as to each Lender, its obligation to make Term Loan A-1s to the Borrower pursuant to [Section 2.01\(a\)](#), in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on [Schedule 2.01](#) or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. As of the Closing Date, the aggregate Term Loan A-1 Commitments are \$200,000,000.

**"Term Loan A-1 Lender"** means each Lender having a Term Loan A-1 Commitment or who has funded or purchased all or a portion of a Term Loan A-1 in accordance with the terms hereof.

**"Term Loan A-2"** has the meaning specified in [Section 2.01\(b\)](#).

**"Term Loan A-2 Availability Period"** means, with respect to the Tier 1 Term Loan A-2 Commitments or the Tier 2 Term Loan A-2 Commitments, the period from and including the Closing Date to the earliest of (a) the applicable Term Loan A-2 Termination Date, (b) the date of termination of such Term Loan A-2 Commitment pursuant to [Section 2.04](#), and (c) the date of termination of the commitment of each Lender to make Loans pursuant to [Section 8.02](#).

**"Term Loan A-2 Commitment"** means, as to each Lender, its obligation to make Term Loan A-2s to the Borrower pursuant to [Section 2.01\(b\)](#), in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on [Schedule 2.01](#) or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. As of the Closing Date, the aggregate Term Loan A-2 Commitments, which consist of the aggregate of the Tier 1 Term Loan A-2 Commitments and the Tier 2 Term Loan A-2 Commitments, are \$300,000,000.

**"Term Loan A-2 Lender"** means each Lender having a Term Loan A-2 Commitment or who has funded or purchased all or a portion of a Term Loan A-2 in accordance with the terms hereof.

**"Term Loan A-2 Termination Date"** means, (a) with respect to the Tier 1 Term Loan A-2 Commitments, January 30, 2022 and (b) with respect to the Tier 2 Term Loan A-2 Commitments, July 30, 2022, provided, however, that if such date is not a Business Day, the Term Loan A-2 Termination Date shall be the next preceding Business Day.

**"Term SOFR"** means, for the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

**"Term SOFR Notice"** means a notification by the Administrative Agent to the Lenders and the Borrower of the occurrence of a Term SOFR Transition Event.

**"Term SOFR Transition Event"** means the determination by the Administrative Agent that (a) Term SOFR has been recommended for use by the Relevant Governmental Body, (b) the administration of Term SOFR is administratively feasible for the Administrative Agent and (c) a Benchmark Transition Event, an Early Opt-in Election or an Other Benchmark Rate Election, as applicable, has previously occurred resulting in the replacement of the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with [Section 3.03](#) with a Benchmark Replacement the Unadjusted Benchmark Replacement component of which is not Term SOFR.

**"Threshold Amount"** means, on any date of determination and calculated as of the last day of the fiscal quarter for which financial statements were most recently delivered by the Borrower pursuant to [Section 6.01\(a\)](#) or [6.01\(b\)](#), as applicable, an amount equal to 7.5% of Consolidated EBITDA for the period of four consecutive fiscal quarters most recently ended.

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**“Tier 1 Term Loan A-2 Commitment”** means, with respect to each Term Loan A-2 Lender, its obligation to make any initial Term Loan A-2s to the Borrower pursuant to [Section 2.01\(b\)](#) in an aggregate principal amount equal to fifty percent (50%) of its Term Loan A-2 Commitment. As of the Closing Date, the aggregate Tier 1 Term Loan A-2 Commitments are \$150,000,000.

**“Tier 2 Term Loan A-2 Commitment”** means, with respect to each Term Loan A-2 Lender, its obligation to make any subsequent Term Loan A-2s to the Borrower pursuant to [Section 2.01\(b\)](#) in an aggregate principal amount equal to fifty percent (50%) of its Term Loan A-2 Commitment. As of the Closing Date, the aggregate Tier 2 Term Loan A-2 Commitments are \$150,000,000.

**“Total Outstandings”** means the aggregate Outstanding Amount of all Loans.

**“Type”** means, with respect to a Committed Loan, its character as a Base Rate Loan or a Eurodollar Rate Loan.

**“UK Financial Institution”** means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

**“UK Resolution Authority”** means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

**“Unadjusted Benchmark Replacement”** means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

**“Unfunded Pension Liability”** means the excess of a Pension Plan’s benefit liabilities under Section 4001(a)(16) of ERISA, over the current value of that Pension Plan’s assets, determined in accordance with the assumptions used for funding the Pension Plan pursuant to Section 412 of the Code for the applicable plan year.

**“United States”** and **“U.S.”** mean the United States of America.

**“U.S. Cellular”** means United States Cellular Corporation.

**“U.S. Cellular Credit Facilities”** means the U.S. Cellular Revolving Loan Facility and the U.S. Cellular Term Loan Facility.

**“U.S. Cellular Revolving Loan Facility”** means that that certain Credit Agreement, dated as of July 20, 2021, among U.S. Cellular, Toronto Dominion (Texas) LLC as the administrative agent and the lenders party thereto from time to time, as amended, restated, extended, supplemented, replaced, refinanced or otherwise modified from time to time in accordance with the terms thereof.

**“U.S. Cellular Term Loan Facility”** means that certain Third Amended and Restated Credit Agreement, dated as of July 30, 2021, as the same has been and may be further amended, restated, extended, supplemented, replaced, refinanced or otherwise modified from time to time, by and among U.S. Cellular, as the borrower thereunder, CoBank, as administrative agent and a lender, and the other lenders party thereto from time to time.

**“U.S. Special Resolution Regimes”** has the meaning given such term in [Section 10.25](#).

**“Variable Interest Entity”** means any variable interest entity that the Borrower is required to consolidate at any time pursuant to FASB ASC 810 - Consolidation. [Schedule 1.01\(a\)](#) identifies the entities that are Non-Subsidiary Variable Interest Entities as of the date hereof. [Schedule 5.13](#) identifies the entities that are Variable Interest Entities that are Subsidiaries as of the date hereof.

**“Voting Participant”** has the meaning specified in [Section 10.06\(d\)](#).

**“Voting Participant Notice”** has the meaning specified in [Section 10.06\(d\)](#).

**“wholly-owned”** means, with respect to a Subsidiary of a Person, a Subsidiary of such Person all of the outstanding Equity Interests of which (other than (i) director’s qualifying shares and (ii) shares issued to foreign nationals to the extent required by applicable law) are owned by such Person and/or by one or more wholly-owned Subsidiaries of such Person.

**“Write-Down and Conversion Powers”** means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

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1.02 **Other Interpretive Provisions.** With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “**include**,” “**includes**” and “**including**” shall be deemed to be followed by the phrase “**without limitation**.” The word “**will**” shall be construed to have the same meaning and effect as the word “**shall**.” Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (iii) the words “**hereto**,” “**herein**,” “**hereof**” and “**hereunder**,” and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law, including Anti-Terrorism Laws, Debtor Relief Laws, the Code, the Commodity Exchange Act, ERISA, the Patriot Act, the Securities Exchange Act of 1934, the Uniform Commercial Code, the Investment Company Act of 1940, the Trading with the Enemy Act of the United States or any of the foreign assets control regulations of the United States Treasury Department, shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words “**asset**” and “**property**” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word “**from**” means “**from and including**,” the words “**to**” and “**until**” each mean “**to but excluding**,” and the word “**through**” means “**to and including**.”

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

### 1.03 **Accounting Terms.**

(a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP, applied on a consistent basis, as in effect from time to time and in a manner consistent with that used in preparing the audited financial statements required by Section 6.01, except as otherwise specifically prescribed herein. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of the Borrower and its Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded.

(b) Changes in GAAP. Unless the Borrower shall otherwise have provided the notice set forth in the next sentence, if at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document (including, without limitation, the adoption of International Financial Reporting Standards by U.S. companies), and either the Borrower or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. Notwithstanding any other provision to the contrary herein, all obligations of any Person that are or would have been treated as operating leases for purposes of GAAP prior to the effectiveness of FASB ASC 842 shall continue to be accounted for as operating leases for purposes of all financial definitions and calculations for purpose of this Agreement (whether or not such operating lease obligations were in effect on such date) notwithstanding the fact that such obligations are required in accordance with FASB ASC 842 (on a prospective or retroactive basis or otherwise) to be treated as capital lease obligations in the financial statements.

(c) Consolidation of Variable Interest Entities. All references herein to consolidated financial statements of the Borrower and its Subsidiaries or to the determination of any amount for the Borrower and its Subsidiaries on a consolidated basis or any similar reference shall, in each case, be deemed to include each Non-Subsidiary Variable Interest Entity even though such Non-Subsidiary Variable Interest Entity is not a Subsidiary as defined herein. For the avoidance of doubt, Subsidiaries that are Variable Interest Entities are included in the consolidated financial statements of the Borrower and its Subsidiaries and are included in the determination of any amount for the Borrower and its Subsidiaries on a consolidated basis or any similar reference.

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1.04 **Rounding.** Any financial ratios required to be maintained by the Borrower pursuant to this Agreement (or required to be satisfied in order for a specific action to be permitted under this Agreement) shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.05 **Times of Day.** Unless otherwise specified, all references herein to times of day shall be references to Mountain time (daylight or standard, as applicable).

1.06 **Pro Forma Calculations.** For purposes of making financial calculations to determine compliance with Section 7.10(b), (a) with respect to any (i) acquisition by the Borrower or any of its Subsidiaries for consideration of less than \$50,000,000 and (ii) with respect to Dispositions by the Borrower or its Subsidiaries having gross sales proceeds of less than \$50,000,000, Consolidated EBITDA may, at the option of the Borrower upon notice to the Administrative Agent as indicated in the applicable Compliance Certificate, be adjusted on a Pro Forma Basis and (b) with respect to (i) any Specified Acquisition by the Borrower or any of its Subsidiaries and (ii) with respect to any Specified Dispositions by the Borrower or its Subsidiaries, (A) Consolidated EBITDA shall be adjusted on a Pro Forma Basis and (B) the Borrower shall, concurrently with the delivery of the Compliance Certificate referred to in Section 6.02(b), deliver a certificate of the Borrower signed by the chief executive officer, chief financial officer, chief accounting officer, treasurer or controller of the Borrower attaching financial data and calculations reasonably acceptable to the Administrative Agent setting forth such pro forma calculations in reasonable detail.

1.07 **Divisions.** For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

1.08 **Rates.** The interest rate on Eurodollar Rate Loans and Base Rate Loans (when determined by reference to clause (c) of the definition of Base Rate) may be determined by reference to LIBOR, which is derived from the London interbank offered rate. The London interbank offered rate is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. On March 5, 2021, ICE Benchmark Administration ("**IBA**"), the administrator of the London interbank offered rate, and the Financial Conduct Authority (the "**FCA**"), the regulatory supervisor of IBA, announced in public statements (the "**Announcements**") that the final publication or representativeness date for the London interbank offered rate for Dollars for: (a) 1-week and 2-month tenor settings will be December 31, 2021 and (b) overnight, 1-month, 3-month, 6-month and 12-month tenor settings will be June 30, 2023. No successor administrator for IBA was identified in such Announcements. As a result, it is possible that commencing immediately after such dates, the London interbank offered rate for such tenors may no longer be available or may no longer be deemed a representative reference rate upon which to determine the interest rate on Eurodollar Rate Loans or Base Rate Loans (when determined by reference to clause (c) of the definition of Base Rate). There is no assurance that the dates set forth in the Announcements will not change or that IBA or the FCA will not take further action that could impact the availability, composition or characteristics of any London interbank offered rate. Public and private sector industry initiatives have been and continue, as of the date hereof, to be underway to implement new or alternative reference rates to be used in place of the London interbank offered rate. In the event that the London interbank offered rate or any other then-current Benchmark is no longer available or in certain other circumstances set forth in Section 3.03, such Section 3.03 provides a mechanism for determining an alternative rate of interest. The Administrative Agent will notify the Borrower, pursuant to Section 3.03, of any change to the reference rate upon which the interest rate on Eurodollar Rate Loans and Base Rate Loans (when determined by reference to clause (c) of the definition of Base Rate) is based. However, the Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, (i) the continuation of, administration of, submission of, calculation of or any other matter related to the London interbank offered rate or other rates in the definition of "LIBOR" or with respect to any alternative, successor or replacement rate thereto (including any then-current Benchmark or any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement), as it may or may not be adjusted pursuant to Section 3.03, will be similar to, or produce the same value or economic equivalence of, LIBOR or any other Benchmark, or have the same volume or liquidity as did the London interbank offered rate or any other Benchmark prior to its discontinuance or unavailability, or (ii) the effect, implementation or composition of any Benchmark Replacement Conforming Changes. The Administrative Agent and its Affiliates or other related entities may engage in transactions that affect the calculation of a Benchmark, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto and such transactions may be adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain any Benchmark, any component definition thereof or rates referenced in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

## ARTICLE II. THE COMMITMENTS

### 2.01 **Committed Loans.**

(a) Term Loan A-1.

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(i) *Closing Date Advance.* Subject to the terms and conditions set forth herein and relying upon the representations and warranties of the Loan Parties set forth herein and in the other Loan Documents, each Term Loan A-1 Lender severally agrees to make a term loan (collectively, the "**Term Loan A-1**") to the Borrower on the Closing Date in an aggregate principal amount not to exceed the amount of such Term Loan A-1 Lender's Commitment; provided, however, that the amount of such Term Loan A-1 to be advanced on the Closing Date shall not exceed the difference of (A) the aggregate Term Loan A-1 Commitments minus (B) the Rollover Loan. The Borrower may not prepay under Section 2.03 and reborrow under this Section 2.01(a). The Term Loan A-1 may be a Base Rate Loan or Eurodollar Rate Loan, as further provided herein.

(ii) *Rollover Loan.* On the Closing Date, each Existing Lender continuing as a Term Loan A-1 Lender under this Agreement and holding a portion of the Rollover Loan under the Prior Credit Agreement shall "cashlessly roll" its Allocated Amount of the Rollover Loan into a Term Loan A-1 under this Agreement pursuant to cashless settlement mechanisms reasonably approved by the Borrower, the Administrative Agent and such Lender. For the avoidance of doubt, such portion of the Term Loan A-1 shall be deemed a Eurodollar Rate Loan under this Agreement.

(b) *Term Loan A-2.* Subject to the terms and conditions hereof and relying upon the representations and warranties of the Loan Parties set forth herein and in the other Loan Documents, each Term Loan A-2 Lender severally agrees to make term loans (each such term loan, a "**Term Loan A-2**") to the Borrower from time to time, on any Business Day during the applicable Term Loan A-2 Availability Period, in an aggregate principal amount as the Borrower shall request not to exceed at any time outstanding the amount of such Term Loan A-2 Lender's Tier 1 Term Loan A-2 Commitment or Tier 2 Term Loan A-2 Commitment, as applicable; provided, however, that after giving effect to any Term Loan A-2, (i) the aggregate Outstanding Amount of all Term Loan A-2s shall not exceed the aggregate Term Loan A-2 Commitments and (ii) the aggregate Outstanding Amount of the Term Loan A-2s of any Term Loan A-2 Lender shall not exceed such Term Loan A-2 Lender's Term Loan A-2 Commitment. The Borrower may not prepay under Section 2.03 and reborrow under this Section 2.01(b). The Term Loan A-2 may be a Base Rate Loan or Eurodollar Rate Loan, as further provided herein. In no event may the Borrower request more than four (4) Borrowings of Term Loan A-2s.

## 2.02 Borrowings, Conversions and Continuations of Committed Loans.

(a) Each Committed Borrowing, each conversion of Committed Loans from one Type to the other, and each continuation of Eurodollar Rate Loans shall be made upon the Borrower's irrevocable notice to the Administrative Agent, which may be given by (A) telephone, or (B) a Committed Loan Notice; provided that any telephone notice must be confirmed promptly by delivery to the Administrative Agent of a Committed Loan Notice. Each such Committed Loan Notice must be received by the Administrative Agent not later than 11:00 a.m. (i) three Business Days prior to the requested date of any Borrowing of, conversion to or continuation of Eurodollar Rate Loans or of any conversion of Eurodollar Rate Loans to Base Rate Committed Loans, and (ii) one Business Day prior to the requested date of any Borrowing of Base Rate Committed Loans or conversion of any Eurodollar Rate Loans to Base Rate Committed Loans; provided, however, that if the Borrower wishes to request Eurodollar Rate Loans having an Interest Period other than one, three or six months in duration as provided in the definition of "Interest Period," the applicable notice must be received by the Administrative Agent not later than 11:00 a.m. four Business Days prior to the requested date of such Borrowing, conversion or continuation, whereupon the Administrative Agent shall give prompt notice to the Lenders of such request and determine whether the requested Interest Period is acceptable to all of them. Not later than 11:00 a.m., three Business Days before the requested date of such Borrowing, conversion or continuation, the Administrative Agent shall notify the Borrower (which notice may be by telephone) whether or not the requested Interest Period has been consented to by all the Lenders. Each Borrowing of, conversion to or continuation of Term Loan A-1s constituting Eurodollar Rate Loans shall be in a principal amount of \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof. Each Borrowing of or conversion of Term Loan A-1s constituting Base Rate Loans shall be in a principal amount of \$500,000 or a whole multiple of \$100,000 in excess thereof. Each Borrowing of, conversion of or continuation of a Term Loan A-2 (whether or not such Term Loan A-2 constitutes as a Eurodollar Rate Loan or a Base Rate Loan) shall be in a principal amount of \$50,000,000 or in increments of \$10,000,000 in excess thereof. Each Committed Loan Notice shall specify (i) whether the Borrower is requesting a Committed Borrowing, a conversion of Committed Loans from one Type to the other, or a continuation of Eurodollar Rate Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the Class of the Committed Loans to be borrowed, converted or continued, (iv) the principal amount of Committed Loans to be borrowed, converted or continued, (v) the Type of Committed Loans to be borrowed or to which existing Committed Loans are to be converted, and (vi) if applicable, the duration of the Interest Period with respect thereto. If the Borrower fails to specify a Type of Committed Loan in a Committed Loan Notice or if the Borrower fails to give a timely notice requesting a conversion or continuation, then the applicable Committed Loans shall be made as, or converted to, Base Rate Loans. Any such automatic conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Eurodollar Rate Loans. If the Borrower requests a Borrowing of, conversion to, or continuation of Eurodollar Rate Loans in any such Committed Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month.

(b) Following receipt of a Committed Loan Notice, the Administrative Agent shall promptly notify each Lender of the amount of its Applicable Percentage of the applicable Committed Loans, and if no timely notice of a conversion or continuation is provided by the Borrower, the Administrative Agent shall notify each Lender of the details of any automatic conversion to Base Rate Loans described in the preceding subsection. In the case of a Committed Borrowing, each Lender shall make the amount of its Committed Loan available to the Administrative Agent in immediately available funds at the Administrative Agent's Office not later than 1:00 p.m. on the Business Day specified in the applicable Committed Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 4.02 (and, if such Borrowing is the initial Committed Loan, Section 4.01), the Administrative Agent shall make all funds so received available to the Borrower in like funds as received by the Administrative Agent by wire transfer of such funds in accordance with instructions provided to (and reasonably acceptable to) the Administrative Agent by the Borrower.

(c) Except as otherwise provided herein, a Eurodollar Rate Loan may be continued or converted only on the last day of an Interest Period for such Eurodollar Rate Loan. During the existence of a Default, no Loans may be requested as, converted to or continued as Eurodollar Rate Loans without the consent of the Required Lenders.

(d) The Administrative Agent shall promptly notify the Borrower and the Lenders of the interest rate applicable to any Interest Period for Eurodollar Rate Loans selected hereunder upon the determination of such interest rate. At any time that Base Rate Loans are outstanding, the Administrative Agent shall notify the Borrower and the Lenders of any change in the Prime Rate used in determining the Base Rate promptly following the public announcement of such change. Failure to deliver any such notice shall not affect the effectiveness of any such interest rate or result in any liability to the Administrative Agent.

(e) After giving effect to all Committed Borrowings, all conversions of Committed Loans from one Type to the other, and all continuations of Committed Loans as the same Type, there shall not be more than ten Interest Periods in effect with respect to Committed Loans.

### 2.03 **Prepayments.**

(a) Voluntary. The Borrower may, upon notice to the Administrative Agent, at any time or from time to time voluntarily prepay Committed Loans in whole or in part without premium or penalty; provided that (i) a Prepayment Notice must be received by the Administrative Agent not later than 11:00 a.m. (A) three Business Days prior to any date of prepayment of Eurodollar Rate Loans and (B) on the date of prepayment of Base Rate Committed Loans; (ii) any prepayment of Eurodollar Rate Loans shall be in a principal amount of \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof; and (iii) any prepayment of Base Rate Committed Loans shall be in a principal amount of \$500,000 or a whole multiple of \$100,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding. Each Prepayment Notice shall specify the date and amount of such prepayment and the Type(s) of Committed Loans to be prepaid and, if Eurodollar Rate Loans are to be prepaid, the Interest Period(s) of such Loans. Notwithstanding anything to the contrary contained in this Agreement, the Borrower may rescind or postpone any Prepayment Notice under this Section 2.03(a) if such prepayment would have resulted from a refinancing of this Agreement, which refinancing shall not be consummated or otherwise shall be delayed (subject to payment by the Borrower of amounts owed under Section 3.05 occurring as a result of such notice).

(b) Mandatory. The Outstanding Amounts shall be prepaid by an amount and in accordance with the terms of Section 7.05(g) (during the Term Loan A-2 Availability Period, together with a reduction in the Term Loan A-2 Commitments, to the extent not fully drawn).

(c) Applications of Prepayments. So long as no Event of Default has occurred and is then continuing, all prepayments permitted pursuant to this Section 2.03 shall be applied to the remaining unpaid installments of principal of the Committed Loans as directed by the Borrower; provided that, if the Borrower fails to direct the application of any such prepayments, such prepayments shall be applied to the unpaid installments of principal of the Committed Loans in the inverse order of scheduled maturities.

(d) Generally. The Administrative Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's Applicable Percentage of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a Eurodollar Rate Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05. Subject to Section 2.12, each such prepayment shall be applied to the Committed Loans of the Lenders in accordance with their respective Applicable Percentages.

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## 2.04 Termination or Reduction of Commitments.

(a) **Voluntary.** The Borrower may, upon notice to the Administrative Agent, terminate the aggregate Term Loan A-2 Commitments, or from time to time permanently reduce the aggregate Term Loan A-2 Commitments, without premium or penalty (except those amounts payable by the Borrower under Section 3.05 which shall be paid by the Borrower); provided that (i) any such notice shall be received by the Administrative Agent not later than 11:00 a.m. five Business Days prior to the date of termination or reduction, and (ii) any such partial reduction shall be in an aggregate amount of \$10,000,000 or any whole multiple of \$1,000,000 in excess thereof. Notwithstanding the foregoing, the Borrower may rescind or postpone any notice of termination of the Term Loan A-2 Commitments if such termination would have resulted from a refinancing of this Agreement, which refinancing shall not be consummated or otherwise shall be delayed (subject to payment by the Borrower of amounts owed under Section 3.05 occurring as a result of such notice).

(b) **Mandatory.**

(i) **Term Loan A-1 Commitment.** The Term Loan A-1 Commitments shall be automatically and permanently terminated on the Closing Date, after giving effect to any Committed Borrowings pursuant to Section 2.01(a).

(ii) **Term Loan A-2 Commitment.** The Term Loan A-2 Commitments shall be automatically and permanently (A) reduced by an amount and in accordance with the terms of Section 7.05(g) or (B) with respect to the Tier 1 Term Loan A-2 Commitments and the Tier 2 Term Loan A-2 Commitments, terminated upon the expiration of the applicable Term Loan A-2 Availability Period, after giving effect to any Committed Borrowings pursuant to Section 2.01(b).

(c) **Generally.** The Administrative Agent will promptly notify the Lenders of any such notice of termination or reduction of the Term Loan A-2 Commitments. Any reduction of the Term Loan A-2 Commitments shall be applied to the Commitment of each Lender according to its Applicable Percentage. All fees accrued until the effective date of any termination of the Term Loan A-2 Commitments shall be paid on the effective date of such termination.

2.05 **Repayment of Loans.** In addition to any prepayments made pursuant to Section 2.03 (any such prepayments pursuant to Section 2.03 to be applied to any remaining unpaid principal installments of the Committed Loans set forth below as specified in Section 2.03(c)), the Borrower shall repay the aggregate outstanding principal balance of the Committed Loans as follows:

(a) **Term Loan A-1s.** Commencing with the full fiscal quarter following the Closing Date, the Borrower shall repay the aggregate outstanding principal balance of the Term Loan A-1s in quarterly principal payments on the last day of each fiscal quarter in an amount equal to \$500,000. Notwithstanding anything herein to the contrary, the entire outstanding principal balance of the Term Loan A-1s shall be due and payable in full in cash on the applicable Maturity Date.

(b) **Term Loan A-2s.** The Borrower shall repay the aggregate outstanding principal balance of the Term Loan A-2s in quarterly principal payments on the last day of each fiscal quarter in an amount equal to the aggregate outstanding principal balance of the Term Loan A-2 as of the Term Loan A-2 Termination Date with respect to the Tier 2 Term Loan A-2 Commitments multiplied by the rate set forth opposite the applicable fiscal quarter in the table below:

<b><u>Applicable Fiscal Quarter</u></b>	<b><u>Quarterly Principal Payments</u></b>
Through September 30, 2022	0.00%
December 31, 2022 through September 30, 2026	0.25%
December 31, 2026 and each fiscal quarter ending thereafter	0.625%

Notwithstanding anything herein to the contrary, the entire outstanding principal balance of the Term Loan A-2s shall be due and payable in full in cash on the applicable Maturity Date.

## 2.06 Interest.

(a) Subject to the provisions of subsection (b) below, (i) each Eurodollar Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Eurodollar Rate for such Interest Period plus the Applicable Rate; and (ii) each Base Rate Committed Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Rate.

(b) If any amount of principal of any Loan is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(i) If any amount (other than principal of any Loan) payable by the Borrower under any Loan Document is not paid when due (after giving effect to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, then upon the request of the Required Lenders, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(ii) Upon the request of the Required Lenders, while any Event of Default exists, the Borrower shall pay interest on the principal amount of all outstanding Obligations hereunder at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws; provided that the Borrower shall not be required to pay the Default Rate to any Lender while such Lender is a Defaulting Lender at the time when an Event of Default exists.

(iii) Accrued and unpaid interest on past due amounts (including interest on past due interest to the extent permitted by applicable Laws) shall be due and payable upon demand.

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

## 2.07 Fees.

(a) Commitment Fee. The Borrower shall pay to the Administrative Agent for the account of each Lender in accordance with its Applicable Percentage, a commitment fee equal to the Applicable Rate times the actual daily amount by which the aggregate Term Loan A-2 Commitments exceed the Outstanding Amount of Term Loan A-2s, subject to adjustment as provided in Section 2.12. The commitment fee shall accrue, commencing on the Closing Date through the last day of the Term Loan A-2 Availability Period with respect to the Tier 2 Term Loan A-2 Commitments, including at any time during such period during which one or more of the conditions in Article IV is not met, and shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December and on the last day of the Term Loan A-2 Availability Period with respect to the Tier 2 Term Loan A-2 Commitments. The commitment fee shall be calculated quarterly in arrears.

(b) Other Fees. The Borrower shall pay the fees in the amounts and at the times specified in the Fee Letter. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

**2.08 Computation of Interest and Fees.** All computations of interest for Base Rate Loans when the Base Rate is determined by the Prime Rate shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.10(a), bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

## 2.09 Evidence of Debt.

(a) The Loans made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and evidenced by one or more entries in the Register maintained by the Administrative Agent, in each case in the ordinary course of business, and provided that, with respect to Treasury Regulation Section 5f.103-1(c) only (if applicable), the Administrative Agent shall act as a non-fiduciary agent for the Borrower with respect to the requirements of such Regulation. The accounts or records maintained by the Administrative Agent and each Lender shall be prima facie evidence of the amount of the Loans made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, the Borrower shall execute and deliver to such Lender (through the Administrative Agent) a Note payable to such Lender, which shall evidence such Lender's Loans in addition to such accounts or records. Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto.

(b) Entries made in good faith by the Administrative Agent in the Register pursuant to Section 2.09(a), and by each Lender in its account or accounts pursuant to Section 2.09(a), shall be prima facie evidence of the amount of principal and interest due and payable or to become due and payable from the Borrower to, in the case of the Register, each Lender and, in the case of such account or accounts, such Lender, under this Agreement and the other Loan Documents; provided that the failure of the Administrative Agent or such Lender to make an entry, or any finding that an entry is incorrect, in the Register or such account or accounts shall not limit or otherwise affect the obligations of the Borrower under this Agreement and the other Loan Documents.

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## 2.10 Payments Generally; Administrative Agent's Clawback.

(a) General. All payments to be made by the Borrower shall be made free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrower hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in Dollars and in immediately available funds not later than 2:00 p.m. on the date specified herein. The Administrative Agent will promptly distribute to each Lender its Applicable Percentage (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent after 2:00 p.m. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by the Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) (i) Funding by Lenders; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Committed Borrowing of Eurodollar Rate Loans (or, in the case of any Committed Borrowing of Base Rate Loans, prior to 12:00 noon on the date of such Committed Borrowing) that such Lender will not make available to the Administrative Agent such Lender's share of such Committed Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 (or, in the case of a Committed Borrowing of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.02) and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Committed Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Administrative Agent in connection with the foregoing, and (B) in the case of a payment to be made by the Borrower, the interest rate applicable to Base Rate Loans. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Committed Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Committed Loan included in such Committed Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(ii) Payments by Borrower; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

A notice of the Administrative Agent to any Lender or the Borrower with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) Failure to Satisfy Conditions Precedent. If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and such funds are not made available to the Borrower by the Administrative Agent because the conditions to the applicable Committed Loan set forth in Article IV are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Committed Loans and to make payments pursuant to Section 10.04(c) are several and not joint. The failure of any Lender to make any Committed Loan or to make any payment under Section 10.04(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Committed Loan or to make its payment under Section 10.04(c).

(e) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

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2.11 **Sharing of Payments by Lenders.** If any Lender shall, by exercising any right of setoff, counterclaim, payment, fee or otherwise, obtain payment in respect of any principal of or interest on any of the Committed Loans made by it resulting in such Lender's receiving payment of a proportion of the aggregate amount of such Committed Loans and accrued interest thereon greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Committed Loans and of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Committed Loans and other amounts owing them, provided that:

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this Section 2.11 shall not be construed to apply to (x) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (including, without limitation, the application of funds arising from the existence of a Defaulting Lender and Sections 3.01, 3.02, 3.04, 3.05 or 10.04), or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Committed Loans to any assignee or participant, other than to the Borrower or any Subsidiary thereof (as to which the provisions of this Section 2.11 shall apply).

The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable Laws, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

## 2.12 **Defaulting Lenders.**

(a) Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable Law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in Section 10.01 and in the definition of "Required Lender."

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 10.08 shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *third*, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement; *fourth*, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *fifth*, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *sixth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made at a time when the conditions set forth in Section 4.02 were satisfied or waived, such payment shall be applied solely to pay the Loans of all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of such Defaulting Lender until such time as all Loans are held by the Lenders pro rata in accordance with the Commitments hereunder. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees. No Defaulting Lender shall be entitled to receive any fee payable under Section 2.07(a) for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

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(b) Defaulting Lender Cure. If the Borrower, the Administrative Agent and the Lenders agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Committed Loans to be held on a pro rata basis by the Lenders in accordance with their Applicable Percentages, whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

### ARTICLE III. TAXES, YIELD PROTECTION AND ILLEGALITY

#### 3.01 Taxes.

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.

(i) Any and all payments by or on account of any obligation of any Loan Party hereunder or under any other Loan Document shall to the extent permitted by applicable Laws be made free and clear of and without deduction or withholding for any Taxes. If, however, applicable Laws require any Loan Party or the Administrative Agent to withhold or deduct any Tax, such Tax shall be withheld or deducted in accordance with such Laws as determined by such Loan Party or the Administrative Agent, as the case may be, upon the basis of the information and documentation to be delivered pursuant to subsection (e) below.

(ii) If any Loan Party or the Administrative Agent shall be required by the Code to withhold or deduct any Taxes, including both United States Federal backup withholding and withholding taxes, from any payment, then (A) the Administrative Agent shall withhold or make such deductions as are determined by the Administrative Agent to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) the Administrative Agent shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with the Code, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes or Other Taxes, the sum payable by the applicable Loan Party shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(iii) If any Loan Party or the Administrative Agent shall be required by any applicable Laws other than the Code to withhold or deduct any Taxes from any payment, then (A) such Loan Party or the Administrative Agent, as required by such Laws, shall withhold or make such deductions as are determined by it to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) such Loan Party or the Administrative Agent, to the extent required by such Laws, shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with such Laws, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Loan Party shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(b) Payment of Other Taxes by the Borrower. Without limiting the provisions of subsection (a) above, the Loan Parties shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable Laws, or at the option of the Administrative Agent timely reimburse it for the payment of any Other Taxes.

(c) Tax Indemnifications. (i) Without limiting or duplicating the provisions of subsection (a) or (b) above, each of the Loan Parties shall, and does hereby, jointly and severally, indemnify each Recipient, and shall make payment in respect thereof within 10 days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) withheld or deducted by the Loan Parties or the Administrative Agent or paid by such Recipient in connection with a Loan Document and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. Each of the Loan Parties shall also, and does hereby, jointly and severally, indemnify the Administrative Agent, and shall make payment in respect thereof within 10 days after demand therefor, for any amount which a Lender for any reason fails to pay indefeasibly to the Administrative Agent as required by subsection (ii) of this subsection. A certificate as to the amount of any such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be prima facie evidence thereof, and shall include a certification that such claim is being made in compliance with Section 3.06(c).

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(ii) Without limiting the provisions of subsection (a) or (b) above, each Lender shall, and does hereby, severally indemnify, and shall make payment in respect thereof within 10 days after demand therefor, (x) the Administrative Agent against any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (y) the Administrative Agent and the Loan Parties, as applicable, against any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.06(d) relating to the maintenance of a Participant Register and (z) the Administrative Agent and the Loan Parties, as applicable, against any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent or a Loan Party in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be prima facie evidence thereof. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Loan Document against any amount due to the Administrative Agent under this paragraph (ii). The agreements in this paragraph (ii) shall survive the resignation and/or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all other Obligations.

(d) Evidence of Payments. Upon request by the Borrower or the Administrative Agent, as the case may be, after any payment of Taxes by the Borrower or by the Administrative Agent to a Governmental Authority as provided in this Section 3.01, the Borrower shall deliver to the Administrative Agent or the Administrative Agent shall deliver to the Borrower, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by Laws to report such payment or other evidence of such payment reasonably satisfactory to the Borrower or the Administrative Agent, as the case may be.

(e) Status of Lenders: Tax Documentation.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 3.01(e)(ii) (A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(I) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(II) executed copies of IRS Form W-8ECI;

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(III) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit I-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “**U.S. Tax Compliance Certificate**”) and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable; or

(IV) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit I-2 or Exhibit I-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit I-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies (or originals, if required by applicable law) of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender’s obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), “**FATCA**” shall include any amendments made to FATCA after the date of this Agreement.

(iii) Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 3.01 expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(f) Treatment of Certain Refunds. Unless required by applicable Laws, at no time shall the Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender, or have any obligation to pay to any Lender, any refund of, or a tax credit with respect to, any Taxes withheld or deducted from funds paid for the account of such Lender. If any Recipient determines, in its sole discretion, that it has received a refund of, or tax credit with respect to, any Taxes or Other Taxes as to which it has been indemnified by any Loan Party or with respect to which any Loan Party has paid additional amounts pursuant to this Section 3.01, it shall pay to the Loan Party an amount equal to such refund or credit (but only to the extent of indemnity payments made, or additional amounts paid, by a Loan Party under this Section 3.01 with respect to the Taxes or Other Taxes giving rise to such refund or credit), net of all reasonable out-of-pocket expenses (including Taxes and Other Taxes) incurred by such Recipient, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Loan Party, upon the request of the Recipient, agrees to repay the amount paid over to the Loan Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Recipient in the event the Recipient is required to repay such refund or credit to such Governmental Authority. Notwithstanding anything to the contrary in this subsection, in no event will the applicable Recipient be required to pay any amount to the Loan Party pursuant to this subsection the payment of which would place the Recipient in a less favorable net after-Tax position than such Recipient would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require any Recipient to make available its tax returns (or any other information relating to its taxes that it deems confidential) to any Loan Party or any other Person.

(g) Survival. Each party’s obligations under this Section 3.01 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all other Obligations.

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3.02 **Illegality.** If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund Eurodollar Rate Loans, or to determine or charge interest rates based upon the Eurodollar Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, any obligation of such Lender to make or continue Eurodollar Rate Loans or to convert Base Rate Committed Loans to Eurodollar Rate Loans shall be suspended until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all Eurodollar Rate Loans of such Lender to Base Rate Loans, either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurodollar Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurodollar Rate Loans. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted.

3.03 **Inability to Determine Rates.**

(a) Notwithstanding anything to the contrary in this Agreement or any other Loan Documents, if the Administrative Agent determines (which determination shall be conclusive absent manifest error) or the Borrower or Required Lenders notify the Administrative Agent (with, in the case of the Required Lenders, a copy to Borrower) that the Borrower or Required Lenders (as applicable) have determined, that:

(i) adequate and reasonable means do not exist for ascertaining LIBOR for any requested Interest Period, including, without limitation, because the LIBOR Screen Rate is not available or published on a current basis; or

(ii) the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan,

then the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Eurodollar Rate Loans shall be suspended, (to the extent of the affected Eurodollar Rate Loans or Interest Periods), and (y) the Eurodollar Rate component shall no longer be utilized in determining the Base Rate. Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurodollar Rate Loans (to the extent of the affected Eurodollar Rate Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Committed Borrowing of Base Rate Loans (subject to the foregoing clause (y)) in the amount specified therein.

(b) Benchmark Replacement.

(i) Notwithstanding anything to the contrary herein or in any other Loan Document (and any Swap Contract shall be deemed not to be a "Loan Document" for purposes of this [Section 3.03](#)) if a Benchmark Transition Event, or an Early Opt-in Election or an Other Benchmark Rate Election, as applicable, and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (a)(1) or (a)(2) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (a)(3) or clause (c) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders. If an Unadjusted Benchmark Replacement is Daily Simple SOFR, all interest payments will be payable on a monthly basis.

(ii) Notwithstanding anything to the contrary herein or in any other Loan Document, if a Term SOFR Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then the applicable Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder or under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document; provided that this clause (ii) shall not be effective unless the Administrative Agent has delivered to the Lenders and the Borrower a Term SOFR Notice. For the avoidance of doubt, the Administrative Agent shall not be required to deliver a Term SOFR Notice after a Term SOFR Transition Event and may elect or not elect to do so in its sole discretion.

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(c) Benchmark Replacement Conforming Changes. In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(d) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrower and the Lenders of (i) any occurrence of a Benchmark Transition Event, a Term SOFR Transition Event, an Early Opt-in Election or an Other Benchmark Rate Election, as applicable, and its related Benchmark Replacement Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to Section 3.03(e) below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 3.03, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 3.03.

(e) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term SOFR or LIBOR) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrative Agent may modify the definition of "Interest Period" for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(f) Benchmark Unavailability Period. Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for a borrowing of, conversion to or continuation of Eurodollar Rate Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to Base Rate Loans. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Base Rate.

(g) London Interbank Offered Rate Benchmark Transition Event. On March 5, 2021, the IBA, the administrator of the London interbank offered rate, and the FCA, the regulatory supervisor of the IBA, made the Announcements that the final publication or representativeness date for Dollars for (i) 1-week and 2-month London interbank offered rate tenor settings will be December 31, 2021 and (ii) overnight, 1-month, 3-month, 6-month and 12-month London interbank offered rate tenor settings will be June 30, 2023. No successor administrator for the IBA was identified in such Announcements. The parties hereto agree and acknowledge that the Announcements resulted in the occurrence of a Benchmark Transition Event with respect to the London interbank offered rate pursuant to the terms of this Agreement and that any obligation of the Administrative Agent to notify any parties of such Benchmark Transition Event pursuant to Section 3.03(d) shall be deemed satisfied.

### 3.04 **Increased Costs.**

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement contemplated by Section 3.04(e));

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or the London interbank market any other condition, cost or expense affecting this Agreement or Eurodollar Rate Loans made by such Lender;

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and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting to, continuing or maintaining any Eurodollar Rate Loan (or of maintaining its obligation to make any such Loan), or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or any other amount) then, within fifteen days after demand by such Lender setting forth in reasonable detail such increased costs (but shall not require any Lender to disclose any confidential or proprietary information, and with a copy of such demand to the Administrative Agent given in accordance with Section 3.06), the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Change in Law affecting any Lender or any Lending Office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by such Lender, to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy and liquidity), then from time to time upon demand of such Lender setting forth in reasonable detail the charge and calculation of such reduced rate of return (but shall not require any Lender to disclose any confidential or proprietary information, and with a copy of such demand to the Administrative Agent given in accordance with Section 3.06), the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered within fifteen days after receipt of such demand.

(c) Certificates for Reimbursement. A certificate of a Lender setting forth in reasonable detail the calculation of the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section 3.04 and delivered to the Borrower shall be prima facie evidence thereof, and such certificate shall include a certification that such claim is being made in compliance with Section 3.06(c). The Borrower shall pay such Lender the amount shown as due on any such certificate within fifteen days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to the foregoing provisions of this Section 3.04 shall not constitute a waiver of such Lender's right to demand such compensation, provided that the Borrower shall not be required to compensate a Lender pursuant to the foregoing provisions of this Section 3.04 for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

(e) Reserves on Eurodollar Rate Loans. The Borrower shall pay to each Lender, as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency funds or deposits (currently known as "**Eurocurrency liabilities**"), additional interest on the unpaid principal amount of each Eurodollar Rate Loan equal to the actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive), which shall be due and payable on each date on which interest is payable on such Loan, provided the Borrower shall have received at least fifteen days' prior notice (with a copy to the Administrative Agent) of such additional interest from such Lender. If a Lender fails to give notice fifteen days prior to the relevant Interest Payment Date, such additional interest shall be due and payable fifteen days from receipt of such notice.

**3.05 Compensation for Losses**. Upon written demand of any Lender (with a copy to the Administrative Agent) from time to time, which demand shall set forth in reasonable detail the basis for requesting such amount (but shall not require any Lender to disclose any confidential or proprietary information), the Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any Loan other than a Base Rate Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by the Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Loan other than a Base Rate Loan on the date or in the amount notified by the Borrower; or

(c) any assignment of a Eurodollar Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by the Borrower pursuant to Section 10.13;

including any loss (other than loss of anticipated profits) or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained. The Borrower shall also pay any reasonable and customary administrative fees charged by such Lender in connection with the foregoing.

For purposes of calculating amounts payable by the Borrower to the Lenders under this Section 3.05, each Lender shall be deemed to have funded each Eurodollar Rate Loan made by it at the Eurodollar Rate for such Loan by a matching deposit or other borrowing in the London interbank eurodollar market for a comparable amount and for a comparable period, whether or not such Eurodollar Rate Loan was in fact so funded.

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3.06 **Mitigation Obligations; Replacement of Lenders; Like Treatment.**

(i) **Designation of a Different Lending Office.** If any Lender requests compensation under Section 3.04, or the Borrower is required to pay any Indemnified Taxes or any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, then such Lender shall, as applicable, use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the good faith judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (ii) in each case, would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(ii) **Replacement of Lenders.** If any Lender requests compensation under Section 3.04, or if the Borrower is required to pay any Indemnified Taxes or any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01 and, in each case, such Lender has not or is unable to designate a different lending office in accordance with Section 3.06(a), the Borrower may replace such Lender in accordance with Section 10.13.

(iii) **Like Treatment.** No Lender shall request compensation under Section 3.01, 3.02 or 3.04, unless such Lender is generally requesting compensation from other similarly situated borrowers.

Each party hereto agrees that (x) an assignment required pursuant to this Section 3.06 may be effected pursuant to an Assignment and Assumption executed by the Borrower, the Administrative Agent and the assignee and (y) the Lender required to make such assignment need not be a party thereto in order for such assignment to be effective and shall be deemed to have consented to and be bound by the terms thereof; provided that, following the effectiveness of any such assignment, the other parties to such assignment agree to execute and deliver such documents necessary to evidence such assignment as reasonably requested by the applicable Lender or the Administrative Agent, provided, further that any such documents shall be without recourse to or warranty by the parties thereto.

3.07 **Survival.** All of the Borrower's obligations under this Article III shall survive termination of the Aggregate Commitments, repayment of all other Obligations hereunder, and resignation of the Administrative Agent.

**ARTICLE IV.  
CONDITIONS PRECEDENT TO COMMITTED LOANS**

4.01 **Conditions of Initial Committed Loan.** The obligation of each Lender to make the Term Loan A-1 and any initial Committed Loan under such Lender's Term Loan A-2 Commitment on the Closing Date is subject to satisfaction of the following conditions precedent:

(a) The Administrative Agent's (or its counsel's) receipt of the following, each of which shall be originals or facsimiles or electronic pdfs (followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of the signing Loan Party, each dated the Closing Date (or, in the case of certificates of governmental officials, a recent date before the Closing Date) and each in form and substance satisfactory to the Administrative Agent and each of the Lenders (it being understood and agreed that to the extent such deliveries shall be substantially consistent with the deliveries made pursuant to the Prior Credit Agreement, such deliveries shall be deemed to be satisfactory):

(i) executed counterparts of this Agreement and the Guaranty, sufficient in number for distribution to the Administrative Agent, each Lender and the Borrower;

(ii) a Note executed by the Borrower in favor of each Lender requesting a Note;

(iii) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Loan Party as the Administrative Agent may reasonably require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Loan Party is a party or is to be a party;

(iv) such documents and certifications as the Administrative Agent may reasonably require to evidence that each Loan Party is duly organized or formed, and that each Loan Party is validly existing, in good standing and qualified to engage in business in its jurisdiction of organization;

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(v) a favorable opinion of Sidley Austin LLP, counsel to the Loan Parties, or other applicable local counsel to the Loan Parties, addressed to the Administrative Agent and each Lender, as to the matters set forth in Exhibit E and such other matters concerning the Loan Parties and the Loan Documents as the Administrative Agent may reasonably request;

(vi) a certificate of a Responsible Officer of each Loan Party either (A) attaching copies of all consents, licenses and approvals required in connection with the execution, delivery and performance by such Loan Party and the validity against such Loan Party of the Loan Documents to which it is a party, and such consents, licenses and approvals shall be in full force and effect, or (B) stating that no such consents, licenses or approvals are so required;

(vii) a certificate signed by a Responsible Officer of the Borrower as of the Closing Date certifying (A) that the conditions specified in Sections 4.02(a) and (b) have been satisfied or waived (which such waiver must be in writing), (B) that there has been no event or circumstance since the date of the Audited Financial Statements that has had or could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect, (C) that neither the Borrower nor any Subsidiary is in default under or with respect to any Contractual Obligation that could, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, and (D) that the Borrower has disclosed to the Administrative Agent and the Lenders all matters known to any Responsible Officer that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect;

(viii) a duly completed Compliance Certificate as of the Closing Date for the fiscal quarter ended March 31, 2021, signed by a Responsible Officer of the Borrower, certifying as to no Default under the terms of this Agreement and evidencing compliance with Section 7.10 (it being understood that the Compliance Certificate delivered pursuant to the Prior Credit Agreement for the fiscal period ended March 31, 2021 shall be deemed to satisfy this clause (viii));

(ix) evidence that all insurance required to be maintained pursuant to the Loan Documents has been obtained and is in effect;

(x) to the extent requested not less than 15 days prior to the Closing Date, (A) all documentation and other information requested by (or on behalf of) any Lender in order to comply with requirements of anti-corruption Laws, Anti-Terrorism Laws and Sanctions and (B) if the Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, a Beneficial Ownership Certification;

(xi) delivery of a duly completed and executed Federal Reserve Form U-1, Statement of Purpose for an Extension of Credit Secured by Margin Stock; and

(xii) such other assurances, certificates, documents, consents or opinions as the Administrative Agent or the Required Lenders reasonably may require.

(b) Any fees required to be paid by the Borrower pursuant to the Fee Letter on or before the Closing Date shall have been paid.

(c) Unless waived by the Administrative Agent, the Borrower shall have paid all reasonable and invoiced fees, charges and disbursements of counsel to the Administrative Agent (directly to such counsel if requested by the Administrative Agent) to the extent invoiced not less than one Business Day prior to the Closing Date, plus such additional amounts of such invoiced fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrower and the Administrative Agent in accordance with the terms of this Agreement).

(d) The Closing Date shall have occurred on or before July 30, 2021.

Without limiting the generality of the provisions of the last paragraph of Section 9.03, for purposes of determining compliance with the conditions specified in this Section 4.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

**4.02 Conditions to all Committed Loans.** The obligation of each Lender to honor any Committed Loan Notice (other than a Committed Loan Notice requesting only a conversion of Committed Loans to the other Type, or a continuation of Eurodollar Rate Loans) is subject to the following conditions precedent:

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(a) The representations and warranties of the Borrower contained in Article V or any other Loan Document (other than the representation and warranty set forth in Section 5.05(c)), or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all material respects (or, to the extent any such representation or warranty is qualified as to "materiality" or "Material Adverse Effect" shall be true and correct in all respects) on and as of the date of such Committed Loan, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date, and except that for purposes of this Section 4.02, the representations and warranties contained in subsections (a) and (b) of Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to subsections (a) and (b), respectively, of Section 6.01.

(b) No Default shall exist, or would result from such proposed Committed Loan or from the application of the proceeds thereof.

(c) The Administrative Agent shall have received a Committed Loan Notice in accordance with the requirements hereof.

Each Committed Loan Notice (other than a Committed Loan Notice requesting only a conversion of Committed Loans to the other Type or a continuation of Eurodollar Rate Loans) submitted by the Borrower shall be deemed to be a representation and warranty that the conditions specified in Sections 4.02(a) and (b) have been satisfied on and as of the date of the applicable Committed Loan Notice.

## **ARTICLE V. REPRESENTATIONS AND WARRANTIES**

The Borrower represents and warrants to the Administrative Agent and the Lenders that:

**5.01 Existence, Qualification and Power.** Each Loan Party and each Material Subsidiary (a) is duly organized or formed, validly existing and, as applicable, in good standing under the applicable laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, and (c) is duly qualified and is licensed and, as applicable, in good standing under the applicable laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license; except in each case referred to in subsections (b)(i) or (c), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

**5.02 Authorization; No Contravention.** The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is a party, have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene any material term of any of such Person's Organization Documents; (b) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (i) any Contractual Obligation to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (c) violate any applicable law to which such Person is subject, except in each case referred to in subsections (b) and (c) above to the extent that any such conflict, breach, contravention, creation, requirement or violation could reasonably be expected to have a Material Adverse Effect.

**5.03 Governmental Authorization; Other Consents.** No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, any Loan Party of this Agreement or any other Loan Document other than those already obtained or performed.

**5.04 Binding Effect.** This Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by each Loan Party that is a party thereto. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party that is a party thereto in accordance with its terms, except as enforceability is limited by bankruptcy, insolvency, reorganization, moratorium or other applicable laws relating to or affecting generally the enforcement of creditors' rights and except to the extent that availability of the remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding therefor may be brought.

**5.05 Financial Statements; No Material Adverse Effect.**

(a) The Audited Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; (ii) fairly present in all material respects the financial condition of the Borrower and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; and (iii) show all material indebtedness and other liabilities, direct or contingent, of the Borrower and its Subsidiaries as of the date thereof in accordance with GAAP.

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(b) The unaudited consolidated balance sheet of the Borrower and its Subsidiaries dated March 31, 2021, and the related consolidated statements of income or operations, shareholders' equity and cash flows for the fiscal quarter ended on that date (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; and (ii) fairly present in all material respects the financial condition of the Borrower and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby, subject, in the case of subsections (i) and (ii), to the absence of footnotes and to normal year-end audit adjustments.

(c) For the period from the date of the Audited Financial Statements through the Closing Date, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

5.06 **Litigation.** There are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of the Borrower after due and diligent investigation, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against the Borrower or any of its Subsidiaries or against any of their properties or revenues that (a) purport to affect or pertain to this Agreement or any other Loan Document, or any of the transactions contemplated hereby, or (b) either individually or in the aggregate could reasonably be expected to have a Material Adverse Effect.

5.07 **No Default.** No Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

5.08 **Ownership of Property; Liens.** Each of the Borrower and the Material Subsidiaries has good record and marketable title in fee simple to, or valid leasehold interests in, all assets reflected on the Audited Financial Statements or acquired since the date of the Audited Financial Statements except for property and assets sold or otherwise disposed of in the ordinary course of business or otherwise in accordance with the terms of this Agreement since the date of the Audited Financial Statements and for such defects in title or failure to have such title as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The property of the Borrower and each of the Subsidiaries is subject to no Liens, other than Liens permitted by Section 7.01.

5.09 **Environmental Compliance.** The Borrower and its Subsidiaries conduct in the ordinary course of business a review of the effect of existing Environmental Laws and claims alleging potential liability or responsibility for violation of any Environmental Law on their respective businesses, operations and properties, and as a result thereof the Borrower has reasonably concluded that such Environmental Laws and claims could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

5.10 **Insurance.** The properties of the Borrower and its Subsidiaries are insured (a) with companies or associations (including affiliated companies approved by the Administrative Agent (such approval not to be unreasonably withheld or delayed)) and (b) in such amounts (after giving effect to any self-insurance compatible with the standards set forth in Section 6.07), in each case of (a) and (b) preceding, as are customarily engaged by companies engaged in similar businesses and owning similar properties in localities where the Borrower or the applicable Subsidiary operates, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the Borrower or the applicable Subsidiary operates; provided however, that the Borrower and such Subsidiary may self-insure for physical damage to automobiles, welfare benefits and against liability to workers in any state or jurisdiction, or may effect worker's compensation insurance therein through an insurance fund operated by such state or jurisdiction in accordance with the provisions of Section 6.07.

5.11 **Taxes.** The Borrower and its Subsidiaries have (a) made or filed all Federal and state income and all other material tax returns, reports and declarations required by any jurisdiction to which any of them is subject or properly filed for and received extensions with respect thereto which are still in full force and in effect and which have been fully complied with in all material respects, (b) have paid all Federal and state income and other material taxes, assessments, fees and other governmental charges shown or determined to be due on such returns, reports, and declarations, except those which are being contested in good faith by appropriate proceedings and for which adequate reserves, to the extent required by GAAP, have been established, and (c) set aside on their respective books provisions reasonably adequate for the payment of all estimated taxes for periods subsequent to the periods to which such returns, reports or declarations apply.

5.12 **ERISA Compliance.**

(a) Each Plan is in compliance with the applicable provisions of ERISA, the Code and other applicable Federal or state laws, except where such non-compliance could not reasonably be expected to have a Material Adverse Effect. Each Plan that is intended to qualify under Section 401(a) of the Code has received a favorable determination letter from the IRS or an application for such a letter is currently being processed by the IRS with respect thereto and, to the best knowledge of the Borrower, nothing has occurred which would prevent, or cause the loss of, such qualification, except where the failure to so qualify could not reasonably be expected to have a Material Adverse Effect. The Borrower and each ERISA Affiliate have made all required contributions to each Plan subject to Section 412 of the Code, and no application for a funding waiver or an extension of any amortization period pursuant to Section 412 of the Code has been made with respect to any Plan except for those that could not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

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(b) There are no pending or, to the best knowledge of the Borrower, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that could reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or could reasonably be expected to result in a Material Adverse Effect.

(c) (i) No ERISA Event has occurred during the six-year period prior to the date on which such representation is made or is reasonably expected to occur; (ii) no Pension Plan has any Unfunded Pension Liability; (iii) neither the Borrower nor any ERISA Affiliate has incurred, or reasonably expects to incur, any liability under Title IV of ERISA with respect to any Pension Plan (other than premiums due and not delinquent under Section 4007 of ERISA); (iv) neither the Borrower nor any ERISA Affiliate has incurred, or reasonably expects to incur, any liability (and no event has occurred which, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Section 4201 or 4243 of ERISA with respect to a Multiemployer Plan; and (v) neither the Borrower nor any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or 4212(c) of ERISA, except for each of the foregoing clauses that could not, either individually or in the aggregate, reasonably be expected to have or to result in, a Material Adverse Effect.

**5.13 Subsidiaries; Equity Interests; Guarantors.** As of the Closing Date, (a) the Borrower has no Subsidiaries other than those specifically disclosed in Exhibit 21 to the Borrower's Annual Report on Form 10-K for the fiscal year ended December 31, 2020, as supplemented by any changes to such Subsidiaries set forth in Part (a) of Schedule 5.13, and (b) all of the outstanding Equity Interests in such Subsidiaries have been validly issued, are fully paid and nonassessable and, other than U.S. Cellular and U.S. Cellular's Subsidiaries, are wholly-owned by the Borrower except as otherwise specified on Part (a) of Schedule 5.13 free and clear of all Liens except any Lien that is permitted under Section 7.01. As of the Closing Date, the Borrower has no equity investments in any other corporation or entity other than those specifically disclosed in Part (b) of Schedule 5.13. Neither the Borrower nor any Guarantor is an Affected Financial Institution. As of the Closing Date, each of the Guarantors is specifically disclosed in Part (c) of Schedule 5.13.

**5.14 Margin Regulations; Investment Company Act.**

(a) The Borrower is not engaged, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock. No proceeds of any Borrowing will be used for any purpose in contravention or violation of Regulation U issued by the FRB.

(b) None of the Borrower or any Material Subsidiary is or is required to be registered as an "investment company" under the Investment Company Act of 1940.

**5.15 Disclosure.** No report, financial statement, certificate or other information furnished (whether in writing or orally) by or on behalf of any Loan Party (other than any projections and information of a general economic or an industry-specific nature, as to which the Borrower makes no representation) to the Administrative Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document (in each case, as modified or supplemented by other information so furnished or made available publicly) when taken as a whole contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein taken as a whole, in the light of the circumstances under which they were made, not materially misleading.

**5.16 Compliance with Laws.** Each Loan Party and each Subsidiary is in compliance in all material respects with the requirements of all applicable laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of applicable law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

**5.17 Taxpayer Identification Number.** The Borrower's true and correct U.S. taxpayer identification number is set forth on Schedule 10.02.

**5.18 Anti-Corruption Laws; OFAC.**

(a) Neither the Borrower, nor any of its Subsidiaries, nor, to the knowledge of the Borrower and its Subsidiaries, any director, officer, employee, agent, affiliate or representative thereof, is an individual or entity that is, or is owned or controlled by any individual or entity that is (i) currently the subject or target of any Sanctions, (ii) included on OFAC's List of Specially Designated nationals, HMT's Consolidated List of Financial Sanctions Targets and the Investment Ban List, or any similar list enforced by any other relevant sanctions authority or (iii) located, organized or resident in a Designated Jurisdiction. The Borrower, its Subsidiaries and their respective officers and employees and to the knowledge of the Borrower its directors and agents, are in compliance with applicable Sanctions in all material respects. No Loan, use of the proceeds of any Loan or other transactions contemplated hereby will violate applicable Sanctions. Neither the making of the Loans hereunder nor the use of the proceeds thereof will violate the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001) (the "**Patriot Act**"), the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 C.F.R., Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto or successor statute thereto. The Borrower and its Subsidiaries are in compliance in all material respects with the Patriot Act

(b) The Borrower and its Subsidiaries have conducted their businesses in compliance with the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, and other similar anti-corruption legislation in other jurisdictions and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws in all material respects. No Loan, use of the proceeds of any Loan, or other transactions contemplated hereby will violate the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, and other similar anti-corruption legislation in other jurisdictions.

## **ARTICLE VI. AFFIRMATIVE COVENANTS**

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, the Borrower shall, and shall (except in the case of the covenants set forth in Sections 6.01, 6.02, and 6.03) cause each Subsidiary to:

### **6.01 Financial Statements.** Deliver to the Administrative Agent:

(a) as soon as available, but in any event within 90 days after the end of each fiscal year of the Borrower, beginning with the fiscal year ending December 31, 2021, a consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of operations, common stockholders' equity, and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP, audited and accompanied by a report and opinion of PricewaterhouseCoopers LLP or other independent certified public accountant of nationally recognized standing reasonably acceptable to the Required Lenders, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit; provided, that if the Borrower switches from one independent public accounting firm to another and if such switch has occurred during any fiscal period being audited by such new accounting firm, the audit report of any such new accounting firm may contain a qualification or exception as to the scope of such consolidated financial statements that relates to the period of such fiscal period prior to its retention; and

(b) as soon as available, but in any event within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower (commencing with the fiscal quarter ended June 30, 2021), a consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal quarter, the related consolidated statements of operations for such fiscal quarter and for the portion of the Borrower's fiscal year then ended, and the related consolidated statements of common stockholders' equity, and cash flows for the portion of the Borrower's fiscal year then ended, in each case setting forth in comparative form, as applicable, prepared in accordance with GAAP consistently applied throughout the period covered thereby and in reasonable detail, such consolidated statements to be certified by the chief executive officer, chief financial officer, chief accounting officer, treasurer or controller of the Borrower as fairly presenting in all material respects the financial condition, results of operations, common stockholders' equity and cash flows of the Borrower and its Subsidiaries in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes.

### **6.02 Certificates; Other Information.** Deliver to the Administrative Agent:

(a) concurrently with the delivery of the financial statements referred to in Section 6.01(a), a certificate of its independent certified public accountants to the effect that they have read a copy of this Agreement, and that, in making the examination necessary to said certification, they have obtained no knowledge of any Default, or if such accountants shall have obtained knowledge of any then existing Default they shall disclose in such statement any such Default; provided that such accountants shall not be liable to the Lenders for failure to obtain knowledge of any Default;

(b) in form and detail reasonably satisfactory to the Administrative Agent, concurrently with the delivery of the financial statements referred to in Sections 6.01(a) and (b) commencing with the fiscal quarter ended September 30, 2021, a duly completed Compliance Certificate signed by the chief executive officer, chief financial officer, chief accounting officer, treasurer or controller of the Borrower, including a list that identifies (i) each Material Domestic Subsidiary formed or acquired during the fiscal quarter then ended, including pursuant to a merger or Investment permitted by the provisions of this Agreement, (ii) each Domestic Subsidiary (other than U.S. Cellular, the Excluded Subsidiary and any of their Subsidiaries) designated as a Material Subsidiary pursuant to Section 6.14(a)(i) during the fiscal quarter then ended and (iii) each Material Domestic Subsidiary that was Disposed of during the fiscal quarter then ended, including pursuant to a sale, merger, dissolution, liquidation, consolidation or other Disposition; provided, however, that notwithstanding anything in this Agreement to the contrary or any amendment or restatement of any provision in the Prior Credit Agreement, for the fiscal quarter ending June 30, 2021, the Borrower shall deliver to the Administrative Agent in form and detail reasonably satisfactory to the Administrative Agent, concurrently with the delivery of the financial statements referred to in Section 6.01(b) for such quarter, a duly completed "Compliance Certificate" (as such term is defined in the Prior Credit Agreement) for such fiscal quarter signed by the chief executive officer, chief financial officer, chief accounting officer, treasurer or controller of the Borrower, which Compliance Certificate shall satisfy each of the terms and conditions of Section 6.02(b) of the Prior Credit Agreement (and any other applicable provisions) as if such Prior Credit Agreement had not been amended and restated by this Agreement; further provided that the failure to comply with the foregoing proviso shall be an Event of Default under this Agreement;

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(c) promptly after any request by the Administrative Agent, copies of any detailed audit reports, management letters or recommendations submitted to the board of directors (or the audit committee of the board of directors) of any Loan Party by independent accountants in connection with the accounts or books of any Loan Party or any of its Subsidiaries, or any audit of any of them;

(d) promptly after the same are available, copies of each 10-K, 10-Q and 8-K statement which the Borrower may file or be required to file with the SEC under Section 13 or 15(d) of the Securities Exchange Act of 1934, and not otherwise required to be delivered to the Administrative Agent pursuant hereto;

(e) to the extent permitted by applicable law, promptly, and in any event within five Business Days after receipt thereof by the Borrower or any Subsidiary, copies of each notice or other correspondence received from the SEC (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation by the enforcement division of such agency regarding financial or other operational results of the Borrower or any Subsidiary; and

(f) promptly, such additional information regarding the business, financial or corporate affairs of the Borrower or any Subsidiary, or compliance with the terms of the Loan Documents, as the Administrative Agent may from time to time reasonably request.

Information required to be delivered pursuant to Section 6.01(a) or (b) or Section 6.02(d) (to the extent any such information is included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower posts such documents, or provides a link thereto on the Borrower's website on the Internet at the website address listed on Schedule 10.02; or (ii) on which such documents are posted on the Borrower's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided that: (i) upon written request by the Administrative Agent or any Lender, the Borrower shall deliver paper copies of such documents to the Administrative Agent or such Lender that requests the Borrower to deliver such paper copies until a written request to cease delivering paper copies is given by the Administrative Agent or such Lender and (ii) the Borrower shall notify the Administrative Agent (by telecopier or electronic mail) of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. Notwithstanding anything contained herein, in every instance the Borrower shall be required to provide paper or pdf copies of the Compliance Certificates required by Section 6.02(b) to the Administrative Agent. Except for such Compliance Certificates, the Administrative Agent shall have no obligation to request the delivery or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

The Borrower hereby acknowledges that (a) the Administrative Agent and/or CoBank, as the Lead Arranger, will make available to the Lenders materials and/or information provided by or on behalf of the Borrower hereunder (collectively, "**Borrower Materials**") by posting the Borrower Materials on IntraLinks or another similar confidential and secure electronic system (the "**Platform**") and (b) certain of the Lenders (each, a "**Public Lender**") may have personnel who do not wish to receive material non-public information with respect to the Borrower or its Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. All Borrower Materials that have been filed with the SEC and available on the SEC's EDGAR system shall be deemed "PUBLIC." The Borrower hereby agrees that (w) all Borrower Materials (if any) that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," the Borrower shall be deemed to have authorized the Administrative Agent and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Borrower or its securities for purposes of United States Federal and state securities laws (provided, however, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 10.07); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information;" and (z) the Administrative Agent and CoBank, as the Lead Arranger, shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform that is not designated "Public Side Information." Notwithstanding the foregoing, the Borrower shall be under no obligation to mark any Borrower Materials "PUBLIC."

#### 6.03 Notices.

(a) Promptly notify the Administrative Agent of the occurrence of any Default;

(b) Promptly after any Responsible Officer has knowledge thereof, notify the Administrative Agent of any matter that has resulted or could reasonably be expected to result in a Material Adverse Effect;

(c) Promptly after any Responsible Officer has knowledge thereof, notify the Administrative Agent of the filing or commencement of, or any written threat or written notice of intention of any Person to file or commence, any action, suit, litigation or proceeding, whether at law or in equity by or before any Governmental Authority against the Borrower or any Subsidiary that could reasonably be expected to result in a Material Adverse Effect;

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(d) Promptly after any Responsible Officer has knowledge thereof, notify the Administrative Agent of any material change in accounting policies or financial reporting practices by the Borrower or any Subsidiary and not previously disclosed in the financial statements delivered pursuant to Section 6.01;

(e) Promptly after any Responsible Officer has knowledge thereof, notify the Administrative Agent of any announcement by any of Moody's, S&P or Fitch of any change in a Debt Rating; and

(f) Promptly notify the Administrative Agent of any change in the information provided in the Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified in such certification.

Each notice pursuant to this Section 6.03 (other than Section 6.03(e)) shall be accompanied by a written statement of a Responsible Officer of the Borrower setting forth details of the occurrence referred to therein and stating what action the Borrower has taken and proposes to take with respect thereto, if any. Each notice pursuant to Section 6.03(a) shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached, if any.

**6.04 Payment of Obligations.** Pay and discharge as the same shall become due and payable in the ordinary course of business, all obligations and liabilities of the Borrower and the Material Subsidiaries, including all such tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the Borrower or such Material Subsidiary, except to the extent any failure to pay or discharge the same could not reasonably be expected to result in a Material Adverse Effect.

**6.05 Preservation of Existence, Etc.** (a) Except as otherwise expressly permitted under Section 7.04, preserve, renew and maintain in full force and effect the legal existence of the Borrower under the applicable laws of the jurisdiction of its organization but only to the extent that such transaction could not reasonably be expected to have a Material Adverse Effect; (b) except as otherwise expressly permitted under Section 7.04 and 7.05, preserve, renew and maintain in full force and effect the legal existence of each Material Subsidiary under the applicable laws of the jurisdiction of its organization but only to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; (c) except as otherwise expressly permitted under Section 7.04 and 7.05, take all reasonable action to maintain its good standing and all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business but only to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (d) preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which could reasonably be expected to have a Material Adverse Effect.

**6.06 Maintenance of Properties; Office.** (a) Maintain, preserve and protect all of the properties and equipment necessary in the operation of the business of the Borrower and each Material Subsidiary in good working order and condition, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect; and (b) make all necessary repairs thereto and renewals and replacements thereof, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect; provided that, nothing in this Section 6.06 shall prevent the Borrower from discontinuing the operation and maintenance of any of its properties or those of its Material Subsidiaries that meets each of the following conditions: (i) such discontinuance is, in the judgment of the Borrower, desirable in the conduct of its or their business, (ii) such discontinuance does not in the aggregate materially adversely affect the business of the Borrower and its Material Subsidiaries on a consolidated basis and (iii) such discontinuance is not otherwise expressly prohibited under the terms of this Agreement.

**6.07 Maintenance of Insurance.** Maintain with insurance companies or associations (including affiliated companies approved by the Administrative Agent (such approval not to be unreasonably withheld or delayed)) customarily used by Persons engaged in the same or similar businesses and owning similar properties in localities where the Borrower or the applicable Subsidiary operates, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar businesses and owning similar properties in localities where the Borrower or the applicable Subsidiary operates, of such types and in such amounts (after giving effect to self-insurance compatible with the standards following the parenthetical contained in Section 5.10) as are customarily carried under similar circumstances by such other Persons; provided, however, that the Borrower and any of its Subsidiaries may self insure for physical damage to automobiles, welfare benefits and against liability to workers in any state or jurisdiction, or may effect worker's compensation insurance therein through an insurance fund operated by such state or jurisdiction.

**6.08 Compliance with Laws.** Comply in all material respects with the requirements of all applicable laws and all orders, writs, injunctions and decrees applicable to it or to its business or property (including without limitation the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, and other similar anti-corruption legislation in other jurisdictions and applicable Sanctions), except in such instances in which (a) such requirement of applicable law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect.

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6.09 **Books and Records.** Maintain proper books of record and account, in which full, true and correct entries in all material respects and are in material conformity with GAAP consistently applied during such period shall be made of all material financial transactions and matters involving the assets and business of the Borrower or such Material Subsidiary, as the case may be (it being understood and agreed that any foreign Subsidiary may maintain individual books and records in conformity with generally accepted accounting principles in its respective country of organization and that such maintenance shall not constitute a breach of the representations, warranties or covenants hereunder).

6.10 **Inspection Rights.**

(a) Permit the Administrative Agent or any of the Administrative Agent's other designated representatives, to visit and inspect any of the properties of the Borrower or any of its Subsidiaries, to examine the books of account of the Borrower and its Subsidiaries (and to make copies thereof and extracts therefrom), and to discuss the affairs, finances and accounts of the Borrower and its Subsidiaries with, and to be advised as to the same by, its and their officers, employees and independent public accountants (such accountants being hereby authorized by the Borrower to so discuss and advise) all at the expense of the Borrower and, so long as there exists no Event of Default that is continuing, at such reasonable times and intervals as the Administrative Agent may reasonably request;

(b) permit each Lender or any of each such Lenders' other designated representatives, not more than once per fiscal year (and at the expense of such Lender), to visit and inspect any of the properties of the Borrower or any of its Subsidiaries during normal business hours, to examine the books of account of the Borrower and its Subsidiaries (and to make copies thereof and extracts therefrom), and to discuss the affairs, finances and accounts of the Borrower and its Subsidiaries with, and to be advised as to the same by, its and their officers, employees and independent public accountants (such accountants being hereby authorized by the Borrower to so discuss and advise) upon the request by such Lender with reasonable notice, and

(c) upon an Event of Default and for so long as it is continuing, permit the Lenders or any of the Lenders' other designated representatives, to visit and inspect any of the properties of the Borrower or any of its Subsidiaries, to examine the books of account of the Borrower and its Subsidiaries (and to make copies thereof and extracts therefrom), and to discuss the affairs, finances and accounts of the Borrower and its Subsidiaries with, and to be advised as to the same by, its and their officers, employees and independent public accountants (such accountants being hereby authorized by the Borrower to so discuss and advise) at the expense of the Borrower and at such reasonable times and intervals as any such Lender may reasonably request.

In connection with any such inspections or discussions, (i) the Borrower shall be given reasonable notice of and shall have the right to be present at such inspections or discussions, and (ii) each Lender, on behalf of itself and any representative authorized by it, agrees to treat all non public information as confidential information pursuant to Section 10.07 and to take all reasonable precautions to prevent such confidential information from being exposed to third parties and to those of its employees and representatives who do not need to know such confidential information; provided that this Section 6.10 shall not affect the disclosure by any Lender of information required to be disclosed to its auditors, regulatory agencies or pursuant to subpoena or other legal process or by virtue of any other law, regulation, order or interpretation.

6.11 **Use of Proceeds.** Use the proceeds of (a) the Term Loan A-1s to (i) evidence the Rollover Loan and extend the maturity date thereof and (ii) to pay fees and expenses relating to the Committed Loans and for other general corporate purposes, including working capital, capital expenditures, non-hostile acquisitions and other general corporate purposes not in contravention of any applicable law applicable to the Borrower or any Subsidiary or of any Loan Document; and (b) the Term Loan A-2s to (i) refinance other existing Indebtedness of the Borrower and its Subsidiaries, (ii) to pay fees and expenses relating to the Committed Loans and (iii) for other general corporate purposes, including working capital, capital expenditures, non-hostile acquisitions and other general corporate purposes not in contravention of any applicable law applicable to the Borrower or any Subsidiary or of any Loan Document.

6.12 **Further Assurances.** Cooperate with the Lenders and the Administrative Agent and execute such further instruments and documents as the Lenders or the Administrative Agent shall reasonably request to carry out to their satisfaction the transactions contemplated by this Agreement and the other Loan Documents.

6.13 **CoBank Equity.** So long as CoBank is a Lender hereunder, the Borrower will (a) maintain its status as an entity eligible to borrow from CoBank and (b) acquire equity in CoBank in such amounts and at such times as CoBank may require in accordance with CoBank's Bylaws and Capital Plan (as each may be amended from time to time), except that the maximum amount of equity that the Borrower may be required to purchase in CoBank in connection with the Loans made by CoBank may not exceed the maximum amount permitted by the Bylaws and the Capital Plan at the time this Agreement is entered into. The Borrower acknowledges receipt of a copy of (i) CoBank's most recent annual report, and if more recent, CoBank's latest quarterly report, (ii) CoBank's Notice to Prospective Stockholders and (iii) CoBank's Bylaws and Capital Plan, which describe the nature of all of the Borrower's stock and other equities in CoBank acquired in connection with its patronage loan from CoBank (the "**CoBank Equities**") as well as capitalization requirements, and agrees to be bound by the terms thereof. CoBank hereby agrees that its statutory Lien in and with respect to the CoBank Equities shall not secure an aggregate principal amount of Obligations held by CoBank (or other amounts of Indebtedness) in the aggregate in excess of \$10,400,000.

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6.14 **Additional Guarantors; Guaranty Trigger Event.**

(a) On (or at the election of the Borrower prior to) the date the Borrower is required to deliver the Compliance Certificate for each fiscal quarter,

(i) if, at such time, any existing direct Domestic Subsidiary (other than U.S. Cellular, the Excluded Subsidiary and any of their Subsidiaries) that is not a Guarantor meets the threshold set forth in the definition of Material Subsidiary, designate in writing to the Administrative Agent such additional Domestic Subsidiary as a "Material Subsidiary",

(ii) notify the Administrative Agent of any other changes to the Material Domestic Subsidiaries for such fiscal quarter, including (A) the formation or acquisition of a Material Domestic Subsidiary, including pursuant to a merger or Investment permitted by the provisions of this Agreement and (B) the Disposition of a Material Subsidiary, including pursuant to a sale, merger, dissolution, liquidation, consolidation or other Disposition, and

(iii) cause each new Material Domestic Subsidiary pursuant to clauses (i) and (ii)(A) above to (x) become a Guarantor by executing and delivering to the Administrative Agent a counterpart of the Guaranty or such other document as the Administrative Agent shall deem reasonably appropriate for such purpose, and (y) unless waived by the Administrative Agent, deliver to the Administrative Agent documents of the types referred to in clauses (iii) and (iv) of Section 4.01(a) and favorable opinions of counsel to such Person (which shall cover, among other things, the legality, validity, binding effect and enforceability of the documentation referred to in clause (x)), all in form, content and scope reasonably satisfactory to the Administrative Agent.

Notwithstanding the foregoing, the Borrower shall have no duty to comply with the requirements set forth in clauses (i) - (iii) above during a Guaranty Release Period.

(b) If, at any time after the occurrence of the Guaranty Release Date, (i) two or more of S&P Rating, Moody's Rating or Fitch Rating falls below BBB-, Baa3 or BBB, respectively, (ii) the Borrower fails to maintain a Debt Rating of the Borrower's senior unsecured long-term debt securities by two or more of S&P, Moody's and Fitch, (iii) any Subsidiary grants a Guarantee (or permits any such Guarantee to exist) of the Revolving Loan Facility, the U.S. Cellular Revolving Loan Facility or the U.S. Cellular Term Loan Facility, or (iv) any Pari Passu Guaranteed Indebtedness exists (each a "**Guaranty Trigger Event**"), then, in the case of clauses (i) and (ii), the Borrower and each then existing and subsequently acquired or formed Material Domestic Subsidiary of the Borrower (other than U.S. Cellular, the Excluded Subsidiary and their Subsidiaries), and in the case of clauses (iii) and (iv), the Borrower or applicable Subsidiary (other than U.S. Cellular, the Excluded Subsidiary, and their respective Subsidiaries), shall Guarantee the Obligations on a pari passu basis with such other Indebtedness (if any) and, upon the occurrence of such Guaranty Trigger Event, the Borrower shall execute and deliver to the Administrative Agent a Guaranty and shall cause each such applicable Subsidiary to (A) become a Guarantor by executing and delivering to the Administrative Agent a counterpart of the Guaranty or such other document as the Administrative Agent shall deem reasonably appropriate for such purpose, and (B) unless waived by the Administrative Agent, deliver to the Administrative Agent documents of the types referred to in clauses (iii) and (iv) of Section 4.01(a) and favorable opinions of counsel to such Person (which shall cover, among other things, the legality, validity, binding effect and enforceability of the documentation referred to in clause (A)), all in form, content and scope reasonably satisfactory to the Administrative Agent

6.15 **Anti-Corruption Laws.** Conduct its businesses in compliance with the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, and other similar anti-corruption legislation in other jurisdictions and maintain policies and procedures designed to promote and achieve compliance with such laws.

**ARTICLE VII.  
NEGATIVE COVENANTS**

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, the Borrower shall not, nor shall it permit any Subsidiary to, directly or indirectly:

7.01 **Liens.** Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues (including, without limitation, Equity Interests owned by the Borrower and any of its Subsidiaries), whether now owned or hereafter acquired, other than the following:

(a) pro rata Liens securing any of the Obligations owing to the Lenders (including CoBank's statutory Lien in the CoBank Equities);

(b) Liens to secure taxes, assessments and other governmental charges in respect of obligations not overdue or Liens on properties to secure claims for labor, material or supplies in respect of obligations not overdue or in respect of which the Borrower or relevant Subsidiary shall at the time in good faith be prosecuting an appeal or proceeding for review and in respect of which a stay of execution shall have been obtained pending such appeal or review and for which any reserves required in accordance with GAAP have been established;

(c) deposits or pledges made in connection with, or to secure payment of, workmen's compensation, unemployment insurance, old age pensions or other social security obligations;

(d) Liens on properties in respect of judgments or awards that have been in force for less than the applicable period for taking an appeal so long as execution is not levied thereunder or in respect of which the Borrower or relevant Subsidiary shall at the time in good faith be prosecuting an appeal or proceeding for review and in respect of which a stay of execution shall have been obtained pending such appeal or review and for which any reserves required in accordance with GAAP have been established;

(e) Liens of carriers, warehousemen, mechanics and materialmen, and other like liens on properties in existence less than 120 days from the date of creation thereof in respect of obligations not overdue, or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the Borrower or relevant Subsidiary;

(f) encumbrances consisting of easements, rights of way, zoning restrictions, restrictions on the use of real property and defects and irregularities in the title thereto, landlord's or lessor's Liens under leases to which the Borrower or relevant Subsidiary is a party or under applicable law, and other minor Liens or encumbrances none of which in the opinion of the Borrower interferes materially with the use of the property affected in the ordinary conduct of the business of the Borrower or such Subsidiary, which defects do not individually or in the aggregate have a materially adverse effect on the business of the Borrower or such Subsidiary individually or of the Borrower and its Subsidiaries taken as a whole;

(g) (i) outstanding Liens on the Closing Date securing Indebtedness of less than \$25,000,000 and (ii) outstanding Liens on the Closing Date securing Indebtedness over \$25,000,000 that are listed on Schedule 7.01, and, in each case, any extension, renewal or replacement thereof, in whole or in part, provided however, that the principal amount secured thereby shall not exceed the principal amount secured at the time of extension, renewal or replacement, and that such extension, renewal or replacement shall be limited to only that property (or any portion of such property) which secured the obligation so extended, renewed or replaced (plus any improvements on such property or portion of such property);

(h) so long as no Event of Default exists at the time such Lien is created, Liens on any Specified Equity Interests, provided, however, that in each case such Liens (A) are incurred only in connection with any Monetization Transaction to secure obligations owed under such Monetization Transaction, (B) such Liens cover or otherwise attach to only the specific Specified Equity Interests which are the subject of such Monetization Transaction (and rights and interests usually and customarily related thereto, e.g., proceeds and dividends) and do not cover any other property or assets owned or acquired by the Borrower or any of its Subsidiaries, and (C) such Liens remain in existence only during the continuation of such Monetization Transaction;

(i) so long as no Default exists before and immediately after giving effect to any such Liens at the time the contractual obligation to grant such Liens is entered into by the Borrower or its Subsidiaries, Liens in favor of governmental entities on assets and properties financed thereby in respect of Indebtedness permitted to be incurred under Section 7.03(f);

(j) (i) so long as no Event of Default pursuant to Sections 8.01(a)(i), 8.01(a)(ii) (with respect to interest on any Loan only), 8.01(f) or 8.01(g) exists at the time such Lien is created, Liens on Securitization Assets arising out of the sale, assignment, pledge or transfer of Securitization Assets by U.S. Cellular or any of its Subsidiaries to any Securitization Entity pursuant to a Receivables Securitization and (ii) so long as no Event of Default exists at the time such Lien is created, Liens created by U.S. Cellular or any of its Subsidiaries pursuant to a pledge of the Equity Interests of any Securitization Entity in connection with a Receivables Securitization;

(k) Liens securing Indebtedness and other obligations pursuant to any of the Revolving Loan Facility, the U.S. Cellular Revolving Loan Facility or the U.S. Cellular Term Loan Facility;

(l) any other Liens on the property and assets of the Borrower and any of its Subsidiaries; provided, however, with respect to any Liens that secure Indebtedness of the Borrower or any Subsidiary, (i) in no event shall the sum of (A) the amount of outstanding Indebtedness of the Borrower or any Subsidiary, if any, secured by Liens permitted by this subsection (l), plus (B) the amount of outstanding Indebtedness of the Subsidiaries permitted by Section 7.03(d) but not secured by Liens permitted under this subsection (l), exceed in the aggregate at any time \$300,000,000 and (ii) such Lien may only be incurred so long as no Event of Default exists at the time such Lien is created; and

(m) Liens in respect of Indebtedness permitted to be incurred under Sections 7.03(i) and (j), but only so long as such Liens are Permitted Equal and Ratable Liens.

**7.02 Investments.** Make any Investments, except:

(a) Investments

(i) held by the Borrower or such Subsidiary in the form of cash and Cash Equivalents,

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(ii) made in the ordinary course of business consisting of Uniform Commercial Code Article 3 endorsements for collection or deposit and Uniform Commercial Code Article 4 customary trade arrangements with customers, in each case consistent with past practices,

(iii) Investments (including debt obligations and Equity Interests) received in connection with the bankruptcy or reorganization of suppliers and customers or in settlement of delinquent obligations of, or other disputes with, customers and suppliers arising in the ordinary course of business or upon the foreclosure with respect to any secured Investment or other transfer of title with respect to any secured Investment, in each case only to the extent reasonably necessary in order to prevent or limit loss,

(iv) in any Special Entity, so long as in each case such Investments are (A) made in the ordinary course of business to fund operating expenses (including, without limitation, purchases of inventory in the ordinary course of business and capital expenditures incurred in the ordinary course of business consistent with past practices but only to the extent they are Ordinary Capital Expenditures) of such Special Entity, (B) consistent with past practices of the Borrower, its Subsidiaries and such Special Entities and (C) either (I) not in excess of \$25,000,000 in the aggregate at any time outstanding or (II) otherwise made pursuant to agreements, documents or other instruments pursuant to which the Borrower or such Subsidiary shall have a commitment to fund and in respect of which the Borrower shall, upon the request of the Administrative Agent, use commercially reasonable efforts to cause the Administrative Agent, for the benefit of itself and the other Lenders, to have a perfected first Lien within thirty (30) days (or such longer time period as the Administrative Agent may agree) following the date of any such Investment under this subclause (II) (and subject to an agreement among the Administrative Agent on behalf of the Lenders on the one hand, and the administrative agent on behalf of the lenders under the Revolving Loan Facility, the U.S. Cellular Revolving Loan Facility or the U.S. Cellular Term Loan Facility, as applicable, on the other hand, regarding such Liens), but in no event shall the aggregate amount of all Investments made under this subclause (II) exceed \$50,000,000;

(v) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business and consistent with past practices; and

(vi) the CoBank Equities and any other stock or securities of, or Investments in, CoBank or investment services or programs;

(b) in addition to Investments permitted by subsection (a) preceding, Investments of any Subsidiary in the Borrower;

(c) in addition to Investments permitted by subsections (a) and (b) preceding, Investments of the Borrower or any Subsidiary in any Subsidiary (except Investments pursuant to this subsection (c) in (x) the Excluded Subsidiary and any of its Subsidiaries, and (y) a Securitization Entity and any of its Subsidiaries are not permitted unless such Investments are made during a Guaranty Release Period) so long as in each case such Investments are (i) made in the ordinary course of business to fund operating expenses of such Subsidiary (including, without limitation, purchases of inventory in the ordinary course of business and capital expenditures incurred in the ordinary course of business consistent with past practices but only to the extent they are Ordinary Capital Expenditures) and (ii) consistent with past practices of the Borrower and its Subsidiaries; provided that, for the avoidance of doubt, the foregoing shall permit intercompany obligations, including intercompany loans, incurred in the ordinary course of business by and among the Borrower or any wholly-owned Subsidiary of the Borrower, on the one hand, and any other wholly-owned Subsidiary of the Borrower, on the other hand, in each case only to the extent arising from time to time in connection with any Receivables Securitization otherwise permitted under this Agreement;

(d) in addition to Investments permitted by subsections (a), (b) and (c) preceding, Liens, Indebtedness, fundamental changes, Dispositions and Restricted Payments, in each case only as each is specifically permitted under Sections 7.01, 7.03, 7.04, 7.05 and 7.06, respectively, to the extent that any constitute Investments;

(e) so long as no Event of Default pursuant to Sections 8.01(a)(i), 8.01(a)(ii) (with respect to interest on any Loan only), 8.01(f) or 8.01(g) exists before and immediately after giving effect to any such Investment, Investments by U.S. Cellular or any of its Subsidiaries in a Securitization Entity pursuant to a Receivables Securitization, provided that such Investments are used exclusively for the purpose of financing or refinancing assets newly financed or refinanced under such Receivables Securitization;

(f) in addition to Investments permitted by subsections (a), (b), (c), (d) and (e) preceding, so long as (i) no Event of Default exists before and after giving effect to any such Investment and (ii) the Borrower is in pro-forma compliance with each of the covenants in Section 7.10 after giving effect to any such proposed Investment, the Borrower and its Subsidiaries may make any Investment (except Investments pursuant to this subsection (f) in (x) the Excluded Subsidiary and any of its Subsidiaries and (y) a Securitization Entity and any of its Subsidiaries are not permitted unless such Investments are made during a Guaranty Release Period);

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(g) in addition to Investments permitted by subsections (a), (b), (c), (d), (e) and (f) preceding, so long as (i) no Event of Default under Section 8.01(a) exists before and immediately after giving effect to any such Investment and (ii) Outstanding Amounts of all Committed Loans on any date of any Investment are not more than zero, the Borrower and its Subsidiaries may make any Investment (except Investments pursuant to this subsection (g) in (x) the Excluded Subsidiary and any of its Subsidiaries and (y) a Securitization Entity and any of its Subsidiaries are not permitted unless such Investments are made during a Guaranty Release Period); and

(h) in addition to Investments permitted by subsections (a), (b), (c), (d), (e), (f) and (g) preceding, so long as no Event of Default exists before and after giving effect to any such Investment, the Borrower and its Subsidiaries may make Investments in the Excluded Subsidiary and its Subsidiaries; provided that, at any time that is not during a Guaranty Release Period, the aggregate amount of all such Investments, together with the fair market value of all property Disposed of to the Excluded Subsidiary or any of its Subsidiaries pursuant to Section 7.05(c)(iii) shall not exceed \$15,000,000 in the aggregate.

7.03 **Indebtedness.** Solely with respect to any Subsidiary, create, incur, assume or suffer to exist any Indebtedness, except:

(a) Indebtedness under the Loan Documents;

(b) Indebtedness (including any Guarantees thereof) outstanding on the Closing Date and listed on Schedule 7.03 and any refinancings, refundings, renewals or extensions thereof; provided that (i) the amount of such Indebtedness is not increased at the time of such refinancing, refunding, renewal or extension except by an amount equal to accrued interest (but only such accrued interest scheduled to accrue and remain unpaid by its terms in accordance with the related debt instrument as in effect on the Closing Date) and a reasonable premium or other reasonable amount paid, and fees and expenses reasonably incurred, in connection with such refinancing, refunding, renewal or extension and by an amount equal to any existing commitments unutilized thereunder and (ii) the terms relating to principal amount, amortization, maturity, collateral (if any) and subordination (if any), and other material terms taken as a whole, of any such refinancing, refunding, renewing or extending Indebtedness, and of any agreement entered into and of any instrument issued in connection therewith, are no less favorable in any material respect to the Borrower on a consolidated basis, such Person or the Lenders than the terms of any agreement or instrument governing the Indebtedness being refinanced, refunded, renewed or extended and the interest rate applicable to any such refinancing, refunding, renewing or extending Indebtedness does not exceed the then applicable market interest rate;

(c) loans to Subsidiaries made in accordance with the terms of Section 7.02(b) and (c);

(d) so long as no Default exists before and after giving effect to the incurrence of any such Indebtedness, Indebtedness of any Subsidiary up to a maximum amount outstanding at any one time of \$300,000,000; provided that, notwithstanding the foregoing, in no event shall the amount of outstanding Indebtedness of the Subsidiaries permitted by this subsection (d) (whether secured or unsecured) together with the amount of outstanding Indebtedness of the Borrower on a consolidated basis secured by Liens permitted by Section 7.01(l), exceed in the aggregate at any time, \$300,000,000;

(e) (i) Indebtedness owed by U.S. Cellular, as borrower, and any Guaranty thereof by any Subsidiary of U.S. Cellular, under (or otherwise required pursuant to the terms of) the U.S. Cellular Revolving Loan Facility and (ii) other unsecured Indebtedness that is permitted to be incurred by U.S. Cellular or any of its Subsidiaries under the terms of the U.S. Cellular Revolving Loan Facility, provided, such Indebtedness is not Guaranteed by any Subsidiary of U.S. Cellular unless such Guaranty is permitted pursuant to clause (b), (h) or (i) of Section 7.03 of the U.S. Cellular Revolving Loan Facility (or any successor comparable provisions);

(f) so long as there exists no Default at the time of its incurrence, Indebtedness owed to governmental entities and authorized pursuant to and incurred under the American Recovery and Reinvestment Act of 2009 or other law for broadband infrastructure in any area of the United States, particularly in areas without sufficient access to high speed broadband service to facilitate economic development; provided that, notwithstanding the foregoing, in no event shall the aggregate amount of Indebtedness incurred as permitted by this subsection (f) together with the aggregate amount of any programs permitted by Section 7.12 (without duplication) exceed in the aggregate at any time \$500,000,000;

(g) Indebtedness of a Securitization Entity incurred in connection with a Receivables Securitization; provided that, in no event shall the outstanding principal amount of such Indebtedness exceed in the aggregate at any time \$500,000,000;

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(h) so long as no Default exists before and after giving effect to the incurrence of any such Indebtedness, unsecured Indebtedness of the Borrower incurred after the Closing Date that is Guaranteed by the Subsidiaries (other than U.S. Cellular and its Subsidiaries) up to a maximum principal amount outstanding at any one time of \$300,000,000; provided that (i) such Indebtedness shall rank pari passu in right of payment with the Obligations, (ii) in no event shall the sum of (A) the amount of outstanding Indebtedness of the Subsidiaries permitted by this subsection (h), plus (B) without duplication, the amount of outstanding Indebtedness of the U.S. Cellular and its Subsidiaries permitted by Section 7.03(h) of the U.S. Cellular Revolving Loan Facility (or any successor comparable provision), exceed in the aggregate at any time, \$300,000,000, (iii) such Indebtedness has a final maturity date equal to or later than 180 days after the Maturity Date, and (iv) such Indebtedness shall not contain covenants (including financial maintenance covenants), taken as a whole, that are materially tighter (or in addition to), with respect to the borrower of such Indebtedness and its Subsidiaries and any guarantor, than those contained in this Agreement on the date of issuance;

(i) Indebtedness (including any Guarantees thereof) under the Revolving Credit Facility, the U.S. Cellular Revolving Loan Facility, the U.S. Cellular Term Loan Facility or any loan document related to any of the foregoing; and

(j) so long as there exists no Default at the time of its incurrence, Indebtedness (including Guarantees thereof) owed to an export credit agency or institution for the purpose of facilitating trade exports up to a maximum principal amount outstanding at any one time of \$300,000,000; provided that, notwithstanding the foregoing, in no event shall the sum of (i) the amount of outstanding Indebtedness of the Subsidiaries permitted by this subsection (j), plus (ii) without duplication, the amount of outstanding Indebtedness of the Subsidiaries of U.S. Cellular permitted by Section 7.03(j) of each of the U.S. Cellular Credit Facilities, exceed in the aggregate at any time, \$300,000,000; further provided, that at all times (i) such Indebtedness shall rank pari passu in right of payment with the Obligations, (ii) such Indebtedness shall contain covenants (including financial maintenance covenants), taken as a whole, that are substantially similar, but not more restrictive (or in addition to), with respect to the borrower of such Indebtedness and its Subsidiaries and any guarantor, than those contained in this Agreement, (iii) no Subsidiary may Guarantee such Indebtedness unless it is a Guarantor hereunder and has executed and delivered to the Administrative Agent a Guaranty Supplement or such other document as the Administrative Agent may deem reasonably appropriate for such purpose and has complied with each of the other terms and conditions of Section 6.14, and (iv) such Indebtedness is unsecured unless secured by a Permitted Equal and Ratable Lien.

**7.04 Fundamental Changes.** Merge, dissolve, liquidate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person, except that, so long as no Default exists or would result therefrom:

(a) any Subsidiary may merge, amalgamate or consolidate with (i) the Borrower, provided that the Borrower shall be the continuing or surviving Person, or (ii) any one or more other Subsidiaries, provided that (x) when any Guarantor is merging, amalgamating or consolidating with another Subsidiary, the continuing or surviving Person shall be the Guarantor or shall become a Guarantor concurrently with such transaction and (y) when any wholly-owned Subsidiary is merging with another Subsidiary, the continuing or surviving Person shall be the wholly-owned Subsidiary or shall become a wholly-owned Subsidiary concurrently with such transaction;

(b) any Subsidiary may Dispose of all or substantially all of its assets (upon voluntary liquidation or otherwise) to the Borrower or to another Subsidiary; provided that if the transferor in such a transaction is (i) a Guarantor, then the transferee must be only any of the Borrower, a Guarantor or another Subsidiary that becomes a Guarantor concurrently with such transaction and (ii) a wholly-owned Subsidiary, then the transferee must either be the Borrower or a wholly-owned Subsidiary;

(c) any Subsidiary that is not a Loan Party may liquidate or dissolve or change its legal form if the Borrower determines in good faith that such action is in the interest of the Borrower and its Subsidiaries;

(d) any consolidation of the Borrower with or merger of the Borrower into any other Person or Persons (whether or not affiliated with the Borrower), or successive consolidations or mergers to which the Borrower or its successor or successors shall be a party or parties, provided, however, that, the Borrower hereby consents and agrees that, upon any such consolidation or merger, the due and punctual payment of the principal of and interest on all of the Loans and the due and punctual performance and observance of all of the covenants, conditions and other obligations of this Agreement and the Notes to be performed and observed by the Borrower, shall be expressly assumed in an agreement satisfactory in form and substance to the Administrative Agent and the Lenders, executed and delivered to the Administrative Agent by the Person formed by such consolidation or merger, provided, further, that the Person formed by such consolidation or merger shall be a Person organized and existing under the laws of the United States, any state thereof or the District of Columbia, and provided, further, that immediately before and after giving effect to any such transaction (and treating any Consolidated Funded Indebtedness or Sale and Leaseback Transaction which becomes an obligation of the resulting or surviving Person as a result of such transaction as having been incurred or entered into by such Person at the time of such transaction), no Default shall exist. Unless the conditions prescribed above in this Section 7.04(d) are satisfied, no such consolidation or merger shall be permitted;

(e) the Borrower or any Subsidiary may merge with any other Person in order to effect an Investment expressly permitted pursuant to Sections 7.02(e), (f) and (g); and

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(f) with respect to any Subsidiary, (i) a merger, dissolution, liquidation, consolidation or Disposition, the purpose of which is to effect a Disposition expressly permitted pursuant to Section 7.05(c)(i), and (ii) Dispositions made in accordance with the terms of Section 7.05(c)(ii), or any of Sections 7.05(e), (f) or (g).

**7.05 Dispositions.** Make any Disposition or enter into any agreement to make any Disposition, except:

(a) Dispositions of obsolete or worn out property, whether now owned or hereafter acquired, in the ordinary course of business, and Dispositions of property deemed to be no longer useful in the conduct of the business of the Borrower or any of its Subsidiaries in the ordinary course of business and as determined in the Borrower's commercially reasonable judgment;

(b) Dispositions of inventory and allowing any registrations or any applications for registration of any intellectual property to lapse or go abandoned, in each case, in the ordinary course of business;

(c) Dispositions of (i) any property of any Subsidiary to the Borrower or to a wholly-owned Subsidiary (except Dispositions pursuant to this subsection (c)(i) to (x) the Excluded Subsidiary and any of its Subsidiaries and (y) a Securitization Entity and any of its Subsidiaries are not permitted unless such Dispositions are made during a Guaranty Release Period), provided that if the transferor of such property is a Guarantor, the transferee thereof must be only any of the Borrower, a Guarantor or another wholly-owned Subsidiary that becomes a Guarantor concurrently with such transaction; (ii) any property of the Borrower or a wholly-owned Subsidiary to a Subsidiary or Special Entity (except Dispositions pursuant to this subsection (c)(ii) to (x) the Excluded Subsidiary and any of its Subsidiaries and (y) a Securitization Entity and any of its Subsidiaries are not permitted unless such Dispositions are made during a Guaranty Release Period), provided further that (x) if the transferor of such property is a Guarantor, the transferee thereof must be a Guarantor or another wholly-owned Subsidiary that becomes a Guarantor concurrently with such transaction and (y) if there exists any Event of Default at the time of any such Disposition or as a result of giving effect to any such Disposition, such Disposition under subsection (ii) hereof must be sales of property on fair and reasonable terms, in the ordinary course of business and consistent with past practices and (iii) any property of the Borrower or any Subsidiary to the Excluded Subsidiary or any of its Subsidiaries, provided that, at any time that is not during a Guaranty Release Period, the fair market value of such property Disposed of to the Excluded Subsidiary or any of its Subsidiaries, together with the aggregate amount of all Investments made in the Excluded Subsidiary or any of its Subsidiaries pursuant to Section 7.02(g), shall not exceed \$15,000,000 in the aggregate;

(d) to the extent such transactions constitute Dispositions, the transactions expressly permitted by Sections 7.02(e), 7.04(a), (b), (c) and (d) and 7.06;

(e) in addition to Dispositions permitted by subsections (a), (b), (c) and (d) preceding, so long as (i) no Default exists at the time the contractual obligation to make such Dispositions is entered into by the Borrower or its Subsidiaries, (ii) the Borrower is in pro-forma compliance with each of the covenants in Section 7.10 after giving effect to any such proposed Disposition, (iii) in each case such Disposition shall be for aggregate fair value (which shall be the price at which the Board of Directors of the relevant Person shall have agreed to sell such assets in an arm's length transaction to an independent third party buyer which is not an Affiliate) and (iv) such Disposition (or series of Dispositions) shall not be of all or substantially all of the assets of the Borrower, the Borrower and its Subsidiaries may make any Disposition (except Dispositions pursuant to this subsection (e) to (x) the Excluded Subsidiary and any of its Subsidiaries, and (y) a Securitization Entity and any of its Subsidiaries are not permitted unless such Dispositions are made during a Guaranty Release Period);

(f) in addition to Dispositions permitted by subsections (a), (b), (c), (d) and (e) preceding, so long as (i) no Event of Default under Section 8.01(a) exists before and immediately after giving effect to any such Dispositions, (ii) the Outstanding Amounts of all Committed Loans on any date of any Disposition are not more than zero and (iii) such Disposition is for fair value (which shall be the price at which the Board of Directors of the relevant Person shall have agreed to sell such assets in an arm's length transaction to an independent third party buyer which is not an Affiliate), the Borrower and its Subsidiaries may make any Disposition (except (x) Dispositions of all or substantially all of the assets of the Borrower are not permitted, and (y) Dispositions pursuant to this subsection (f) to (A) the Excluded Subsidiary and any of its Subsidiaries and (B) a Securitization Entity and any of its Subsidiaries are not permitted unless such Dispositions are made during a Guaranty Release Period);

(g) in addition to Dispositions permitted by subsections (a), (b), (c), (d), (e) and (f) preceding, so long as (i) 100% of the Net Proceeds of each such Disposition are used by the Borrower immediately upon receipt thereof to prepay the Outstanding Amounts of all Committed Loans, (ii) such Disposition is for fair value (which shall be the price at which the Board of Directors of the relevant Person shall have agreed to sell such assets in an arm's length transaction to an independent third party buyer which is not an Affiliate) and (iii) during the Term Loan A-2 Availability Period, the Term Loan A-2 Commitments are concurrently, automatically and permanently reduced by the full amount of the Net Proceeds (and the Borrower delivers a written acknowledgement to the Administrative Agent of a concurrent automatic permanent reduction of the Term Loan A-2 Commitments in the amount of the Net Proceeds (regardless of whether there exist at any such time any Outstanding Amounts)), the Borrower and its Subsidiaries may make any Disposition (except (x) Dispositions of all or substantially all of the assets of the Borrower are not permitted, and (y) Dispositions pursuant to this subsection (g) to (A) the Excluded Subsidiary and any of its Subsidiaries and (B) a Securitization Entity and any of its Subsidiaries are not permitted unless such Dispositions are made during a Guaranty Release Period);

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(h) Dispositions of any property of U.S. Cellular and its Subsidiaries to the extent such Dispositions are permitted under the terms of the U.S. Cellular Credit Agreement; and

(i) in addition to Dispositions permitted by subsections (a), (b), (c), (d), (e), (f), (g) and (h) preceding, Dispositions consisting of the sale of Cash Equivalents for cash.

provided, however, that in each case of subsections (a) through (g) above and notwithstanding anything in this Section 7.05 or otherwise herein or in any Loan Documents, (i) each such Disposition shall be, in Borrower's commercially reasonable judgment, for fair market value and (ii) the Borrower shall not, nor shall any Subsidiary, Dispose of, transfer or sell any Equity Interests in U.S. Cellular if such sale, Disposition or transfer could result in the Borrower either (A) controlling less than 50.1% of the voting interests of U.S. Cellular, or (B) not being required by GAAP to include U.S. Cellular in its consolidated financials.

**7.06 Restricted Payments.** Declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except:

(a) each Subsidiary may make Restricted Payments to the Borrower and any other Person that owns an Equity Interest in such Subsidiary, ratably according to their respective holdings of the type of Equity Interest in respect of which such Restricted Payment is being made;

(b) the Borrower and each Subsidiary may declare and make dividend payments or other distributions payable solely in the common stock or other common Equity Interests of such Person;

(c) the Borrower and each Subsidiary may purchase, redeem or otherwise acquire Equity Interests issued by it with the proceeds received from the substantially concurrent issue of new shares of its common stock or other common Equity Interests;

(d) repurchases in the ordinary course of business and consistent with past practices of Equity Interests in the Borrower or any Subsidiary of the Borrower deemed to occur upon exercise of stock options or warrants if such Equity Interests represent a portion of the exercise price of or tax withholding obligation with respect to such options or warrants;

(e) the Borrower may make Restricted Payments in the ordinary course of business and consistent with past practices pursuant to and in accordance with stock option plans or other benefit plans for management or employees of the Borrower and its Subsidiaries (i) in effect as of the Closing Date, or (ii) given in renewal or extension of previously existing stock option plans or other benefit plans, such renewals and extensions to be on similar terms to the existing plans, or (iii) granted in the ordinary course of business consistent with past practices and on similar terms as those stock option plans or other benefit plans in existence on the Closing Date;

(f) the Borrower may declare and make scheduled quarterly dividends approved by its board of directors consistent with historical practices conducted prior to the Closing Date;

(g) in addition to Restricted Payments permitted by subsections (a), (b), (c), (d), (e) and (f) preceding, so long as (i) no Event of Default exists before and immediately after giving effect to any such Restricted Payment (provided that, notwithstanding the foregoing, solely in the case of dividends, such requirement shall only apply to the declaration of any such dividend and not to the payment of any such dividend), and (ii) the Borrower is in pro-forma compliance with each of the covenants in Section 7.10 after giving pro forma effect to any such proposed Restricted Payment on the date of payment or, in the case of dividends, the declaration thereof, the Borrower and its Subsidiaries may make any Restricted Payment at any time after such payment or, in the case of dividends, the declaration thereof; and

(h) in addition to Restricted Payments permitted by subsections (a), (b), (c), (d), (e), (f) and (g) preceding, so long as (i) no Event of Default under Section 8.01(a) exists before and immediately after giving effect to any such Restricted Payment and (ii) Outstanding Amounts of all Committed Loans on any date of any Restricted Payment are not more than zero, the Borrower and its Subsidiaries may make any Restricted Payment.

**7.07 Transactions with Affiliates and Subsidiaries.**

(a) Except as disclosed on Schedule 7.07 or, with respect to U.S. Cellular and its Subsidiaries, as otherwise permitted under the U.S. Cellular Revolving Loan Facility, enter into, or permit to exist, any transaction of any kind with any Affiliate of the Borrower (excluding Subsidiaries or any Special Entity), whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to the Borrower or such Subsidiary as would be obtainable by the Borrower or such Subsidiary at the time in a comparable arm's length transaction with a Person other than an Affiliate, all as determined by the Borrower in its commercially reasonable judgment; or

(b) Enter into, or permit to exist, any transaction of any kind with any Subsidiary that is not a wholly-owned Subsidiary or Special Entity, other than on fair and reasonable terms in the ordinary course of business consistent with past practices.

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7.08 **Burdensome Agreements.** Enter into any Contractual Obligation (other than this Agreement or any other Loan Document) that:

(a) limits the ability of (i) any Subsidiary to Guarantee the Indebtedness of the Borrower under this Agreement and the Loan Documents, or (ii) the Borrower or any Subsidiary to create, incur, assume or suffer to exist Liens on Equity Interests of any Subsidiary of the Borrower to secure all or a portion of the Obligations; provided, however, that the foregoing clauses (i) and (ii) shall not prohibit any Contractual Obligations that:

(A) require a pari passu Guarantee concurrently with any Guaranty of any Subsidiary hereunder;

(B) are restrictions or conditions binding on a Subsidiary in effect at any time any Person becomes a Subsidiary (but not any modification or amendment expanding the scope of any such restriction or condition) so long as such Contractual Obligations were not entered into in contemplation of such Person becoming a Subsidiary and the restriction or condition set forth in such Contractual Obligations do not apply to the Borrower or any other Subsidiary (except any Subsidiary of such Subsidiary);

(C) are customary provisions in joint venture agreements and other similar agreements applicable to joint ventures permitted under Section 7.02 and applicable solely to such joint venture entered into in the ordinary course of business;

(D) are customary restrictions contained in organizational documents of any Subsidiary that is not a Guarantor as of the Closing Date;

(E) are customary restrictions in connection with any Lien to secure taxes, assessments and other governmental charges in respect of obligations not overdue (provided that any such restriction contained therein relates only to the asset or assets subject to such Lien);

(F) are customary restrictions and conditions contained in agreements related to any Receivables Securitization (provided that any such restriction or condition apply solely to (i) the Securitization Assets the subject of such Receivables Securitization and (ii) any applicable Securitization Entity, including any Equity Interests of such Securitization Entity);

(G) arise under the Revolving Credit Facility or any of the U.S. Cellular Credit Facilities;

(H) arise under any document, instrument or agreement identified on Schedule 7.08 and any extension, renewal of, or any amendment or modification or (in the case of any such documents, instruments and agreements relating to Indebtedness) refinancing thereof, so long as the scope of any such restriction or condition is not expanded;

(I) apply by reason of any applicable Laws or are required by any Governmental Authority having jurisdiction over the Borrower or any Subsidiary;

(J) are customary restrictions that arise in connection with any Disposition permitted by Section 7.05 applicable pending such Disposition solely to the assets (including Equity Interests) subject to such Disposition;

(K) are restrictions or other conditions that limit the incurrence or assumption (including pursuant to merger, consolidation or acquisition) or maintenance of Liens on Equity Interests of any Subsidiary of the Borrower unless such Contractual Obligation is secured equally and ratably with any other obligation, provided such Contractual Obligation is otherwise permitted by this Agreement; or

(L) arise under any Indebtedness (including Guarantees thereof) permitted by clauses (h) and (j) of Section 7.03 of this Agreement (the "**Specified Pari Debt**") so long as the scope of such restrictions or conditions are not more restrictive than the restrictions and conditions permitted pursuant to clause (G) above and do not prohibit, limit or impose any restrictions on the ability of (1) any Subsidiary to Guarantee the Indebtedness of the Borrower under this Agreement and the Loan Documents, Revolving Credit Facility, the U.S. Cellular Revolving Loan Facility or the U.S. Cellular Term Loan Facility, or (2) the Borrower or any Subsidiary to create, incur, assume or suffer to exist Liens on Equity Interests of the Borrower or any Subsidiary of the Borrower to secure all or a portion of the Obligations; provided that the foregoing shall not prohibit, limit or impose any condition or restriction on the ability of the Borrower or any Subsidiary to create, incur or permit to exist any prohibition, restriction or imposition that requires the Borrower or any Subsidiary to grant a comparable Lien to secure the Specified Pari Debt on an equal and ratable basis, and on the same Equity Interests, as any Lien on Equity Interests granted by the Borrower or any Subsidiary to secure the Obligations (any such Lien being a "**Permitted Equal and Ratable Lien**"); or

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(b) causes any Material Subsidiary to become or remain subject to any restriction which could reasonably be expected to impair the Borrower's ability to repay in full the Obligations, including without limitation, any restriction which would prohibit the distribution by any Material Subsidiary to the Borrower of proceeds from any direct or indirect Disposition of any business or property.

Notwithstanding the foregoing, neither the Borrower nor any of its Subsidiaries shall have any duty to comply with the requirements set forth in clause (a)(ii) above during a Guaranty Release Period.

7.09 **Use of Proceeds.** Use the proceeds of any Committed Loan whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the FRB) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose.

7.10 **Financial Covenants.**

(a) Consolidated Interest Coverage Ratio. Permit the Consolidated Interest Coverage Ratio as of the end of any fiscal quarter of the Borrower to be less than 3.00 to 1.00.

(b) Consolidated Leverage Ratio. Permit the Consolidated Leverage Ratio as of the end of any fiscal quarter of the Borrower to be greater than 3.75 to 1.00.

7.11 **United States Cellular Corporation.** Issue any Equity Interests of U.S. Cellular, or make any Disposition of Equity Interests in U.S. Cellular, or take any other action with respect to the Equity Interests in U.S. Cellular, if such issuance, Disposition or other action could result in Borrower either (a) controlling less than 50.1% of the voting interests of U.S. Cellular, or (b) not being required by GAAP to include U.S. Cellular in its consolidated financial statements.

7.12 **Governmental Programs.** Incur or obtain any loans, advances or other similar funding (other than grants) under the American Recovery and Reinvestment Act of 2009 or other law for broadband infrastructure in any area of the United States, provided that, so long as either (i) there exists no Event of Default at the time of its incurrence, or (ii) (A) there exists no Event of Default under Section 8.01(a) before and immediately after giving effect to any such incurrence or receipt of such grants, loans, advances or other funding, and (B) the Outstanding Amounts of all Committed Loans on any date of any such incurrence or receipt of such grants, loans, advances or other funding are not more than zero, the Borrower may incur or obtain any such grants, loans, advances or other funding in an amount, when combined with all other Indebtedness incurred under Section 7.03(f) (without duplication) plus that is not in excess of \$500,000,000.

7.13 **Anti-Corruption Laws; Sanctions.**

(a) Directly or indirectly, use the proceeds of any Loan, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other individual or entity, to fund any activities of or business with any individual or entity, or in any Designated Jurisdiction, that, at the time of such funding, is the subject of Sanctions, or in any other manner that will result in a violation by any individual or entity (including any individual or entity participating in the transaction, whether as Lender, Administrative Agent or otherwise) of Sanctions.

(b) Directly or indirectly use the proceeds of any Committed Loan for any purpose which would breach the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, and other similar anti-corruption legislation in other jurisdictions.

7.14 **Guarantees.** Create, incur, assume or suffer to exist (a) any Guarantee of Indebtedness of the Borrower or of any Subsidiary (other than U.S. Cellular and the Excluded Subsidiary and any of their Subsidiaries) if the guarantor of such Indebtedness is not Guarantor hereunder and (b) notwithstanding anything in Section 7.03, any Indebtedness that contains covenants, taken as a whole, that are materially tighter (or in addition to), with respect to any Subsidiaries that are not guarantors of such Indebtedness, than those contained in this Agreement with respect to the Subsidiaries that are not Loan Parties.

## ARTICLE VII. EVENTS OF DEFAULT AND REMEDIES

8.01 **Events of Default.** Any of the following shall constitute an Event of Default:

(a) Non-Payment. The Borrower or any other Loan Party fails to pay (i) when and as required to be paid herein, any amount of principal of any Loan, or (ii) within three (3) Business Days after the same becomes due, any interest on any Loan, or any fee due hereunder, or any other amount payable hereunder or under any other Loan Document; or

(b) Specific Covenants. The Borrower fails to perform or observe any term, covenant or agreement contained in any of Section 6.03, 6.05(a) (solely with respect to the Borrower), 6.10, or 6.11 or Article VII; or

(c) Other Defaults. Any Loan Party fails to perform or observe any other covenant or agreement (not specified in subsection (a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for 30 days after the earlier of (i) the date a Responsible Officer of such Loan Party has knowledge of such failure and (ii) the delivery date of written notice thereof to such Loan Party from the Administrative Agent; or

(d) Representations and Warranties. Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of the Borrower or any other Loan Party herein, in any other Loan Document, or in any document required to be delivered in connection herewith or therewith shall not be true and correct in any material respect when made or deemed made (or, to the extent any such representation, warranty, certification or statement of fact is qualified as to "materiality" or "Material Adverse Effect", such representation, warranty, certification or statement of fact shall not be true and correct in all respects); or

(e) Cross-Default. (i) The Borrower or any Subsidiary (A) fails to make any payment when due beyond the applicable grace period with respect thereto (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Indebtedness (other than Indebtedness hereunder and Indebtedness under Swap Contracts) having an outstanding aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than the Threshold Amount, or (B) fails to observe or perform any other agreement or condition relating to any such Indebtedness (other than Indebtedness hereunder and Indebtedness under Swap Contracts) or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders of such Indebtedness or the beneficiary or beneficiaries of any Guarantee (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an involuntary offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity, or such Guarantee to become payable or cash collateral in respect thereof to be demanded; or (ii) there occurs under any Swap Contract an Early Termination Date (as defined in such Swap Contract) resulting from (A) any event of default under such Swap Contract as to which the Borrower or any Subsidiary is the Defaulting Party (as defined in such Swap Contract) or (B) any Termination Event (as so defined in such Swap Contract) under such Swap Contract as to which the Borrower or any Subsidiary is an Affected Party (as so defined in such Swap Contract) and, in either event, the Swap Termination Value owed by the Borrower or such Subsidiary as a result thereof is greater than the Threshold Amount (unless such Swap Contract is in connection with a Monetization Transaction for which the Swap Termination Value may be satisfied by the delivery of the underlying Specified Equity Interests related to such Monetization Transaction); or

(f) Insolvency Proceedings, Etc. Any Loan Party or any Material Subsidiary institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for 60 calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for 60 calendar days, or an order for relief is entered in any such proceeding; or

(g) Inability to Pay Debts; Attachment. (i) Any Loan Party or any Material Subsidiary becomes unable or admits in writing its inability or fails generally to pay its debts as they become due, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of any such Person and is not released, vacated or fully bonded within 30 days after its issue or levy; or

(h) Judgments. There is entered against any Loan Party or any Subsidiary (i) one or more final judgments or orders for the payment of money in an aggregate amount (as to all such judgments or orders) exceeding the Threshold Amount (to the extent not covered by independent third-party insurance as to which the insurer has been notified of such judgment or order and has not denied coverage), or (ii) any one or more non-monetary final judgments that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of 60 consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect; or

(i) ERISA. (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of the Borrower under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of the Threshold Amount, or (ii) the Borrower or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of the Threshold Amount; or

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(j) Invalidity of Loan Documents. Any material provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations and termination of the Aggregate Commitments, ceases to be in full force and effect; or any Loan Party or any Affiliate contests in any manner the validity or enforceability of any provision of any Loan Document; or any Loan Party denies that it has any or further liability or obligation under any Loan Document (other than as a result of repayment in full of the Obligations and termination of the Aggregate Commitments), or purports in writing to revoke, terminate or rescind any provision of any Loan Document; or

(k) Change of Control. There occurs any Change of Control.

8.02 **Remedies Upon Event of Default**. If any Event of Default occurs and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders, take any or all of the following actions:

- (a) declare the commitment of each Lender to make Loans to be terminated, whereupon such commitments and obligation shall be terminated;
- (b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower; and
- (c) exercise on behalf of itself and the Lenders all rights and remedies available to it and the Lenders under the Loan Documents;

provided, however, that upon the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under the Bankruptcy Code of the United States, the obligation of each Lender to make Loans shall automatically terminate and the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable, in each case without further act of the Administrative Agent or any Lender.

8.03 **Application of Funds**. After the exercise of remedies provided for in Section 8.02 (or after the Loans have automatically become immediately due and payable as set forth in the proviso to Section 8.02), any amounts received on account of the Obligations shall, subject to the provisions of Section 2.12, be applied by the Administrative Agent in the following order (to the fullest extent permitted by applicable Laws):

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (excluding principal and interest but including fees, charges and disbursements of counsel to the Administrative Agent to the extent the Borrower is obligated to reimburse such amounts in accordance with the Loan Documents and amounts payable under Article III) payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders (including fees, charges and disbursements of counsel to the respective Lenders to the extent the Borrower is obligated to reimburse such amounts in accordance with the Loan Documents, and amounts payable under Article III), ratably among them in proportion to the respective amounts described in this subsection Second payable to them;

Third, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans and other Obligations, ratably among the Lenders in proportion to the respective amounts described in this subsection Third payable to them;

Fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans and Obligations then owing under Guaranteed Hedge Agreements, ratably among the Lenders and the Hedge Banks in proportion to the respective amounts described in this subsection Fourth held by them; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by Law.

Notwithstanding the foregoing, Obligations arising under Guaranteed Hedge Agreements shall be excluded from the application described above if the Administrative Agent has not received a Guaranteed Party Designation Notice thereof, together with such supporting documentation as the Administrative Agent may request, from the applicable Hedge Bank, as the case may be. Each Hedge Bank not a party to this Agreement that has given the notice contemplated by the preceding sentence shall, by such notice, be deemed to have acknowledged and accepted the appointment of the Administrative Agent pursuant to the terms of Article IX hereof for itself and its Affiliates as if a "Lender" party hereto.

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**ARTICLE IX.**  
**ADMINISTRATIVE AGENT**

9.01 **Appointment and Authority.** Each of the Lenders hereby irrevocably appoints, designates and authorizes CoBank to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. Except to the extent set forth in Section 9.06 and Section 9.10, the provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and their respective Related Parties, and neither the Borrower nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions (including, but not limited to, Section 9.06 and Section 9.10). It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

9.02 **Rights as a Lender.** The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of banking, trust, financial advisory, underwriting, capital markets or other business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders or to provide notice to or consent of the Lenders with respect thereto.

9.03 **Exculpatory Provisions.** The Administrative Agent and its Related Parties shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent and its Related Parties:

- (a) shall not be subject to any agency, trust, fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;
- (b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law;
- (c) shall not have any duty to disclose, and shall not be liable for the failure to disclose to any Lender or any other Person, any credit or other information concerning the business, prospects, operations, properties, assets, financial or other condition or creditworthiness of the Borrower or any of its Affiliates that is communicated to, obtained by or otherwise in the possession of the Person serving as the Administrative Agent or its Related Parties in any capacity, except for notices, reports and other documents that are required to be furnished by the Administrative Agent to the Lenders pursuant to the express provisions of this Agreement; and
- (d) shall not be required to account to any Lender for any sum or profit received by the Administrative Agent for its own account.

The Administrative Agent and its Related Parties shall not be liable for any action taken or not taken by it under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby or thereby (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 10.01 and 8.02) or (ii) in the absence of its own gross negligence, bad faith, fraud or willful misconduct as determined by a court of competent jurisdiction by final non-appealable judgement. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given in writing to the Administrative Agent by the Borrower or a Lender.

The Administrative Agent and its Related Parties shall not be responsible for or have any duty or obligations to any Lender or Participant or any other Person to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

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9.04 **Reliance by Administrative Agent.** The Administrative Agent shall be entitled to rely upon, shall be fully protected in relying, and shall not incur any liability for relying upon, any notice, request, certificate, consent, communication, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person, including any certification pursuant to Section 9.09. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person and shall be fully protected in relying, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts. Each Lender that has signed this Agreement or a signature page to an Assignment and Assumption or any other Loan Document pursuant to which it is to become a Lender hereunder shall be deemed to have consented to, approved and accepted and shall be deemed satisfied with each document or other matter required thereunder to be consented to, approved or accepted by such Lender or that is to be acceptable or satisfactory to such Lender.

9.05 **Delegation of Duties.** The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more subagents appointed by the Administrative Agent. The Administrative Agent and any such subagent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such subagent and to the Related Parties of the Administrative Agent and any such subagent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any subagents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub agents.

9.06 **Resignation of Administrative Agent.** The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, and, so long as no Event of Default has occurred and is continuing, with the approval of the Borrower, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders (with, if applicable, the consent of the Borrower) and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above; provided that if the Administrative Agent shall notify the Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders under any of the Loan Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (2) except for any indemnity payments or other amounts then owed to the retiring Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint (with, if applicable, the consent of the Borrower) a successor Administrative Agent as provided for above in this Section 9.06. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent, and the retiring Administrative Agent (other than as provided in Section 3.01(g) and other than any rights to indemnity payments or other amounts owed to the retiring Administrative Agent as of the effective date of such resignation) shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section 9.06). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring Administrative Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article and Section 10.04 shall continue in effect for the benefit of such retiring Administrative Agent, its subagents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

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9.07 **Non-Reliance on Administrative Agent and Other Lenders.** Each Lender expressly acknowledges that neither the Administrative Agent nor any of its Related Parties has made any representations or warranties to it and that no act taken or failure to act by the Administrative Agent or any of its Related Parties, including any consent to, and acceptance of any assignment or review of the affairs of the Borrower and its Subsidiaries or Affiliates shall be deemed to constitute a representation or warranty of the Administrative Agent or any of its Related Parties to any Lender, as to any matter, including whether the Administrative Agent or any of its Related Parties have disclosed material information in their (or their respective Related Parties') possession. Each Lender expressly acknowledges, represents and warrants to the Administrative Agent that (a) the Loan Documents set forth the terms of a commercial lending facility, (b) it is engaged in making, acquiring, purchasing or holding commercial loans in the ordinary course and is entering into this Agreement and the other Loan Documents to which it is a party as a Lender for the purpose of making, acquiring, purchasing and/or holding the commercial loans set forth herein as may be applicable to it, and not for the purpose of making, acquiring, purchasing or holding any other type of financial instrument, (c) it is sophisticated with respect to decisions to make, acquire, purchase or hold the commercial loans applicable to it and either it or the Person exercising discretion in making its decisions to make, acquire, purchase or hold such commercial loans is experienced in making, acquiring, purchasing or holding commercial loans, (d) it has, independently and without reliance upon the Administrative Agent, any other Lender or any of their respective Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and appraisal of, and investigations into, the business, prospects, operations, property, assets, liabilities, financial and other condition and creditworthiness of the Borrower and its Subsidiaries, all applicable bank or other regulatory applicable Laws relating to the transactions contemplated by this Agreement and the other Loan Documents and (e) it has made its own independent decision to enter into this Agreement and the other Loan Documents to which it is a party and to extend credit hereunder and thereunder. Each Lender also acknowledges that (i) it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their respective Related Parties (A) continue to make its own credit analysis, appraisals and decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder based on such documents and information as it shall from time to time deem appropriate and its own independent investigations and (B) continue to make such investigations and inquiries as it deems necessary to inform itself as to the Borrower and its Subsidiaries and (ii) it will not assert any claim in contravention of this Section 9.07.

9.08 **No Other Duties, Etc.** Anything herein to the contrary notwithstanding, CoBank, as the Lead Arranger and Sole Bookrunner have no powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent or a Lender hereunder.

9.09 **Administrative Agent May File Proofs of Claim.** In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be (to the fullest extent permitted by applicable Laws) entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under Sections 2.07 and 10.04) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.07 and 10.04.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

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9.10 **Guaranty Matters.** The Lenders irrevocably authorize the Administrative Agent to release any Guarantor from its obligations under the Guaranty if (a) the Guaranty Release Date occurs or (b) such Person ceases to be a Material Domestic Subsidiary as a result of a transaction permitted under the Loan Documents. Upon delivery of a certificate of a Responsible Officer to the Administrative Agent certifying that (x)(i) the Guaranty Release Date has occurred or (ii) such Person ceases to be a Material Domestic Subsidiary as a result of a transaction permitted under the Loan Documents, as applicable, and (y) no Default exists and is continuing, such Guarantor shall be automatically released from the Guaranty. Upon release of any Person pursuant to this Section 9.10, the Administrative Agent shall (to the extent applicable) deliver to the Borrower, upon the Borrower's request and at the Borrower's reasonable expense, such documents as may be reasonably necessary to evidence the release of such Person from its obligations under the Loan Documents. Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release any Guarantor from its obligations under the Guaranty pursuant to this Section 9.10.

9.11 **Guarantied Hedge Agreements.** No Hedge Bank that obtains the benefits of Section 8.03 or the Guaranty by virtue of the provisions hereof or of the Guaranty shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Notwithstanding any other provision of this Article IX to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Guarantied Hedge Agreements unless the Administrative Agent has received a Guarantied Party Designation Notice of such Obligations, together with such supporting documentation as the Administrative Agent may request, from the applicable Hedge Bank, as the case may be.

9.12 **Lender ERISA Representation and Other Lender Representations.**

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and its Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments or this Agreement;

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement;

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement; or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has not provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and its Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that:

(i) none of the Administrative Agent, or any of its Affiliates is a fiduciary with respect to the assets of such Lender (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related to hereto or thereto);

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(ii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement is independent (within the meaning of 29 CFR § 2510.3-21) and is a bank, an insurance carrier, an investment adviser, a broker-dealer or other person that holds, or has under management or control, total assets of at least \$50 million, in each case as described in 29 CFR § 2510.3-21(c)(1)(i)(A)-(E);

(iii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies (including in respect of the Obligations);

(iv) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement is a fiduciary under ERISA or the Code, or both, with respect to the Loans, the Commitments and this Agreement and is responsible for exercising independent judgment in evaluating the transactions hereunder; and

(v) no fee or other compensation is being paid directly to the Administrative Agent or any of its Affiliates for investment advice (as opposed to other services) in connection with the Loans, the Commitments or this Agreement.

(c) The Administrative Agent hereby informs the Lenders that each such Person is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Commitments and this Agreement, (ii) may recognize a gain if it extended the Loans, or the Commitments for an amount less than the amount being paid for an interest in the Loans or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

#### 9.13 **Erroneous Payments.**

(a) Each Lender hereby severally agrees that if (i) the Administrative Agent notifies (which such notice shall be conclusive absent manifest error) such Lender that the Administrative Agent has determined in its sole discretion that any funds received by such Lender from the Administrative Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Lender (whether or not known to such Lender) or (ii) it receives any payment from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, (y) that was not preceded or accompanied by a notice of payment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment or (z) that such Lender otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part) then, in each case an error in payment has been made (any such amounts specified in clauses (i) or (ii) of this Section 9.13(a), whether received as a payment, prepayment or repayment of principal, interest, fees or otherwise; individually and collectively, an "**Erroneous Payment**") and the Lender is deemed to have knowledge of such error at the time of its receipt of such Erroneous Payment and to the extent permitted by applicable law, such Lender shall not assert any right or claim to the Erroneous Payment, and hereby waives, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payments received, including without limitation waiver of any defense based on "discharge for value" or any similar doctrine.

(b) Without limiting the immediately preceding clause (a), each Lender agrees that, in the case of clause (a)(ii) above, it shall promptly (and, in all events, within one Business Day of its knowledge (or deemed knowledge) of such error) notify the Administrative Agent in writing of such occurrence and, in the case of either clause (a)(i) or (a)(ii) above upon demand from the Administrative Agent, it shall promptly, but in all events no later than one Business Day thereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

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(c) The Borrower and each other Loan Party hereby agrees that (x) in the event an Erroneous Payment (or portion thereof) is not recovered from any Lender that has received such Erroneous Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights of such Lender with respect to such amount, (y) an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower or any other Loan Party and (z) to the extent that an Erroneous Payment was in any way or at any time credited as payment or satisfaction of any of the Obligations, the Obligations or any part thereof that were so credited, and all rights of the applicable Lender or the Administrative Agent, as the case may be, shall be reinstated and continue in full force and effect as if such payment or satisfaction had never been received, except, in the case of each of clauses (x), (y) and (z), to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrower or any other Loan Party for the purpose of making a payment on the Obligations.

(d) Each party's obligations under this Section 9.13 shall survive the resignation or replacement of the Administrative Agent or any transfer of right or obligations by, or the replacement of, a Lender, the termination of the Commitments or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

#### **ARTICLE X. MISCELLANEOUS**

**10.01 Amendments, Etc.** Except as otherwise set forth in this Agreement, no amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower or any other Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders and the Borrower or the applicable Loan Party, as the case may be, and acknowledged by the Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall:

(a) extend or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 8.02) without the written consent of such Lender (it being understood that a waiver of any condition precedent in Sections 4.01 and 4.02 or of any Default, mandatory prepayment or mandatory reduction of the Aggregate Commitments shall not constitute an extension or increase of any Commitment of any Lender);

(b) postpone any date fixed by this Agreement or any other Loan Document for any payment (excluding mandatory prepayments) of principal, interest, fees or other amounts due to the Lenders (or any of them) hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby;

(c) reduce the principal of, or the rate of interest specified herein on, any Loan or (subject to subsection (iv) of the second proviso to this Section 10.01) any fees or other amounts payable hereunder or under any other Loan Document, without the written consent of each Lender directly affected thereby; provided, however, that only the consent of the Required Lenders shall be necessary to amend the definition of "Default Rate" or to waive any obligation of the Borrower to pay interest at the Default Rate;

(d) change Section 2.11 or Section 8.03 (or amend any other term of the Loan Documents that would have the effect of changing Section 2.11 or Section 8.03) in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender;

(e) change any provision of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder without the written consent of each Lender; or

(f) release all or substantially all of the value of the Guaranty, without the written consent of each Lender, except to the extent the release of any Subsidiary from the Guaranty is permitted pursuant to Section 9.10 (in which case such release shall be made in accordance with the terms of Section 9.10, including evidence of such release made by the Administrative Agent acting alone);

and, provided further, that (i) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document; and (ii) the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that the Commitment of such Lender may not be increased or extended without the consent of such Lender (it being understood that any Commitment or Loans held or deemed held by any Defaulting Lender shall be excluded for a vote of the Lenders hereunder requiring any consent of the Lenders, except increasing such Defaulting Lender's Commitment or extending date fixed hereunder for payment).

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Notwithstanding the foregoing or any other provision in this Agreement or any other Loan Document to the contrary, if the Administrative Agent and the Borrower identify any ambiguity, omission, mistake, typographical error, inconsistency or other defect in any provision of this Agreement or any other Loan Document, then the Administrative Agent and the Borrower are permitted to amend, modify or supplement such provision to cure such ambiguity, omission, mistake, typographical error, inconsistency or other defect; provided that, no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent or any Lender hereunder without the prior written consent of the Administrative Agent or the applicable Lender, as the case may be.

**10.02 Notices; Effectiveness; Electronic Communication.**

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile or electronic mail as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to the Borrower or the Administrative Agent, to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 10.02 or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to the other parties; and

(ii) if to any other Lender, to the address, facsimile number, electronic mail address or telephone number specified in its Administrative Questionnaire or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to the Borrower and the Administrative Agent.

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including email and Internet or intranet websites) pursuant to procedures mutually agreed to by the Borrower and the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender pursuant to Article II if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Borrower may each, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing subsection (i) of notification that such notice or communication is available and identifying the website address therefor; provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

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(c) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. Although the Platform is secured pursuant to generally-applicable security procedures and policies implemented or modified by the Administrative Agent and its Related Parties, each of the Lenders and the Borrower acknowledges and agrees that distribution of information through an electronic means is not necessarily secure in all respects, the Administrative Agent or any of its Related Parties (collectively, the "**Agent Parties**") are not responsible for approving or vetting the representatives, designees or contacts of any Lender that are provided access to the Platform and that there may be confidentiality and other risks associated with such form of distribution. Each of the Borrower and each Lender party hereto understands and accepts such risks. In no event shall the Agent Parties have any liability to the Borrower, any Loan Party, any Lender or any other Person or entity for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower's, any Loan Party's or the Administrative Agent's transmission of Borrower Materials through the Internet (including the Platform), except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and non-appealable judgment to have resulted from the gross negligence, bad faith, fraud or willful misconduct of such Agent Party; provided, however, that in no event shall any Agent Party or the Borrower or any Loan Party have any liability to any other Person for indirect, special, incidental, consequential or punitive damages, losses or expenses (as opposed to direct or actual damages, losses or expenses).

(d) Change of Address, Etc. Each of the Borrower and the Administrative Agent may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the Borrower and the Administrative Agent. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, facsimile number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable Law, including United States Federal and state securities Laws, to make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to the Borrower or its securities for purposes of United States Federal or state securities laws.

(e) Reliance by Administrative Agent and Lenders. The Administrative Agent and the Lenders shall be entitled to rely and act upon any notices (including telephonic or electronic Committed Loan Notices) purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify the Administrative Agent, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower, in the absence of gross negligence or willful misconduct as determined in a final and non-appealable judgment by a court of competent jurisdiction. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

**10.03 No Waiver; Cumulative Remedies; Enforcement.** No failure by any Lender or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Loan Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by Law.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at Law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 8.02 for the benefit of all the Lenders; provided, however, that the foregoing shall not prohibit (a) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (b) any Lender from exercising setoff rights in accordance with Section 10.08 (subject to the terms of Section 2.10), or (c) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any Debtor Relief Law; and provided, further, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section 8.02 and (ii) in addition to the matters set forth in subsections (b), (c) and (d) of the preceding proviso and subject to Section 2.11, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.



#### 10.04 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Borrower shall pay (i) all reasonable and invoiced outofpocket fees and expenses incurred by the Administrative Agent and its Affiliates (including the reasonable and invoiced fees, charges and disbursements of a single counsel for the Administrative Agent in reasonable detail, and one local counsel in each relevant jurisdiction), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (ii) all reasonable and invoiced outofpocket expenses incurred by the Administrative Agent, any Lender (including the reasonable and invoiced fees, charges and disbursements of any one counsel for the Administrative Agent, one additional counsel on behalf of the Lenders and one local counsel in each relevant jurisdiction), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made hereunder, including all such outofpocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

(b) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof) and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "**Indemnitee**") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Borrower arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby, or, in the case of the Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Loan Documents (including in respect of any matters addressed in Section 3.01), (ii) any Loan or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any other Loan Party, and regardless of whether any Indemnitee is a party thereto, IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY OR SOLE NEGLIGENCE OF THE INDEMNITEE; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence, bad faith, fraud or willful misconduct of such Indemnitee, (y) result from any dispute solely among Indemnitees, other than claims against an Indemnitee in its capacity or fulfilling its role as the Administrative Agent, an Arranger or similar role under the Loan Documents and other than any claims arising directly or indirectly as a result of any act or omission by the Borrower or any Subsidiary or (z) result from a claim brought by the Borrower or any other Loan Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Borrower or such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction.

(c) Reimbursement by Lenders. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under subsection (a) or (b) of this Section 10.04 to be paid by it to the Administrative Agent (or any sub-agent thereof) or any Related Party of the Administrative Agent but without affecting the Borrower's reimbursement obligations hereunder, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent) or such Related Party, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) in its capacity as such, or against any Related Party of the Administrative Agent acting for the Administrative Agent (or any such sub-agent) in connection with such capacity. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 2.10(d).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, each party hereto hereby agrees that it shall not assert, and hereby waives, any claim against any other Person, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence, bad faith, fraud or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(e) Payments. All amounts due under this Section 10.04 shall be payable not later than ten Business Days after demand therefor.

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(f) Survival. The agreements in this Section 10.04 and the indemnity provisions of Section 10.02(e) shall survive the resignation of the Administrative Agent, the replacement of any Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all the other Obligations.

**10.05 Payments Set Aside.** To the extent that any payment by or on behalf of the Borrower is made to the Administrative Agent or any Lender, or the Administrative Agent or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall, to the fullest extent possible under the provisions of applicable Laws, be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders under subsection (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

**10.06 Successors and Assigns.**

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section 10.06 and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than \$5,000,000 unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed); provided, however, that concurrent assignments to members of an Assignee Group and concurrent assignments from members of an Assignee Group to a single Eligible Assignee (or to an Eligible Assignee and members of its Assignee Group) will be treated as a single assignment for purposes of determining whether such minimum amount has been met.

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the Commitment assigned.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section 10.06 and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (1) an Event of Default has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within fifteen (15) Business Days after having received notice thereof; and

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required if such assignment is to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with payment of a processing and recordation fee in the amount of \$3,500 (which such payment is not the responsibility of the Borrower); provided, however, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment shall be made (A) to the Borrower or any of the Borrower's Affiliates or Subsidiaries, (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B), or (C) to a natural person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural person).

(vi) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section 10.06, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 3.01, 3.04, 3.05 and 10.04 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Upon request, the Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section 10.06.

(c) Register. The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it (or the equivalent thereof in electronic form) and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be prima facie evidence, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural person, or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural person, a Defaulting Lender or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "**Participant**") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 10.04(c) without regard to the existence of any participation.

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Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 10.01 that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.01, 3.04 and 3.05 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section 10.06 (it being understood that the documentation required under Section 3.01(e) shall be delivered to the Lender who sells the participation); provided that such Participant (A) agrees to be subject to the provisions of Sections 3.06 and 10.13 as if it were an assignee under paragraph (b) of this Section 10.06 and (B) shall not be entitled to receive any greater payment under Sections 3.01 or 3.04, with respect to any participation, than the Lender from whom it acquired the applicable participation would have been entitled to receive, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 3.01, unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 3.01(e) as though it were a Lender. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 3.06 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.08 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.11 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "**Participant Register**"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan or other obligation is in registered form under Section 5f.103-1(c) or Proposed Section 1.163-5(b) of the United States Treasury Regulations (or, in each case, any amended or successor version). The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

Notwithstanding the preceding paragraph, any Participant that is a Farm Credit Lender that (i) has purchased a participation in a minimum amount of \$5,000,000, (ii) has been designated as a voting Participant (a "**Voting Participant**") in a written notice (a "**Voting Participant Notice**") sent by the relevant Lender (or the existing Voting Participant, as applicable) to the Borrower and the Administrative Agent and (iii) receives, prior to becoming a Voting Participant, the consent of the Borrower and the Administrative Agent (such Borrower and Administrative Agent consent to be required only to the extent and under the circumstances it would be required if such Voting Participant were to become a Lender pursuant to an assignment in accordance with Section 10.06(b)) and such consent is not required for an assignment to an existing Voting Participant), shall be entitled to vote as if such Voting Participant were a Lender on all matters subject to a vote by Lenders, and the voting rights of the selling Lender (or selling existing Voting Participant, as applicable) shall be correspondingly reduced, on a dollar-for-dollar basis. To be effective, each Voting Participant Notice shall include, with respect to each Voting Participant, the information that would be included by a prospective Lender in an Assignment and Assumption and the Dollar amount of the participation purchased. Notwithstanding the foregoing, each Farm Credit Lender designated as a Voting Participant in Schedule 10.06 shall be a Voting Participant without delivery of a Voting Participation Notice and without the prior written consent of the Borrower or the Administrative Agent. The selling Lender (or selling existing Voting Participant, as applicable) and the purchasing Voting Participant shall notify the Administrative Agent within three Business Days of any termination, reduction or increase of the amount of, such participation. The Administrative Agent shall be entitled to conclusively rely on information contained in Voting Participant Notices and all other notices delivered pursuant hereto. The voting rights of each Voting Participant are solely for the benefit of such Voting Participant and shall not inure to any assignee or participant of such Voting Participant that is not a Farm Credit Lender.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or to the Federal Farm Credit Banks Funding Corporation; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

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**10.07 Treatment of Certain Information; Confidentiality.** Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable Laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder, (g) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or the credit facilities provided hereunder or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers or other market identifiers with respect to the credit facilities provided hereunder, (h) with the consent of the Borrower or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section 10.07 or (y) becomes available to the Administrative Agent, any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower. In addition, the Administrative Agent and the Lenders may disclose the existence of this Agreement and customary information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Administrative Agent and the Lenders in connection with the administration of this Agreement, the other Loan Documents, and the Commitments.

For purposes of this Section, "**Information**" means all information received from the Borrower or any Subsidiary relating to the Borrower or any Subsidiary or any of their respective businesses, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Borrower or any Subsidiary, provided that, in the case of information received from the Borrower or any Subsidiary after the date hereof, such information is not identified as "PUBLIC" pursuant to Section 6.02 or is otherwise clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Each of the Administrative Agent and the Lenders acknowledges that (a) the Information may include material non-public information concerning the Borrower or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including United States Federal and state securities Laws.

**10.08 Right of Setoff.** If an Event of Default shall have occurred and be continuing, each Lender and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender or any such Affiliate to or for the credit or the account of the Borrower or any other Loan Party against any and all of the obligations of the Borrower or such Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower or such Loan Party may be contingent or unmatured or are owed to a branch or office of such Lender different from the branch or office holding such deposit or obligated on such indebtedness; provided, that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.12 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender and their respective Affiliates under this Section 10.08 are in addition to other rights and remedies (including other rights of setoff) that such Lender or their respective Affiliates may have. Each Lender agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

**10.09 Interest Rate Limitation.** Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "**Maximum Rate**"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

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**10.10 Counterparts; Integration; Effectiveness.** This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging (e.g., "pdf" or "tif") means shall be effective as delivery of a manually executed counterpart of this Agreement.

**10.11 Survival of Representations and Warranties.** All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Committed Loan, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied.

**10.12 Severability.** If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section 10.12, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent or the Lenders, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

**10.13 Replacement of Lenders.** If (i) any Lender requests compensation under Section 3.04, (ii) if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, (iii) if any Lender is a Defaulting Lender, or (iv) any Lender fails to consent to any amendment to this Agreement as requested by the Borrower which requires the consent of all Lenders (or all of the Lenders affected thereby) and which is consented to by the Required Lenders, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.06), all of its interests, rights (other than its rights to payments of existing claims pursuant to Sections 3.01 and 3.04) and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(a) the Borrower shall have paid to the Administrative Agent the assignment fee specified in Section 10.06(b) (unless such fee shall have been waived by the Administrative Agent in the Administrative Agent's sole discretion);

(b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.05) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter;

(d) such assignment does not conflict with applicable Laws; and

(e) if the replacement of a Lender is being made pursuant to subsection (iv) above, the replacement Lender shall have consented to such requested amendment.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

**10.14 Governing Law; Jurisdiction; Etc.**

(a) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

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(b) SUBMISSION TO JURISDICTION. THE BORROWER IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT OR ANY LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE BORROWER OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. THE BORROWER IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION 10.14. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 10.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

10.15 **Waiver of Jury Trial**. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

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#### 10.16 No Advisory or Fiduciary Responsibility.

(a) In connection with all aspects of each transaction contemplated hereby, each Loan Party acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i)(A) the facilities provided for hereunder and any related arranging or other services in connection therewith (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document) are arm's-length commercial transactions between the Borrower and its Affiliates, on the one hand, and the Administrative Agent and the Lenders, on the other hand, (B) the Administrative Agent and the Lenders have not provided and will not provide any legal, accounting, regulatory or tax advice with respect to any of the transactions contemplated hereby (including any amendment, waiver or other modification hereof or of any other Loan Document) and the Loan Parties have consulted their own legal, accounting, regulatory and tax advisors to the extent they have deemed appropriate, and (C) the Borrower is capable of evaluating and understanding, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents (including any amendment, waiver or other modification hereof or thereof); (ii)(A) in connection with the process leading to such transaction, each of the Administrative Agent and the Lenders is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as a financial advisor, advisor, agent or fiduciary for the Borrower or any of its Affiliates, stockholders, creditors or employees or any other Person, (B) none of the Administrative Agent or any of the Lenders has assumed or will assume an advisory, agency or fiduciary responsibility in favor of the Borrower or any of its Affiliates with respect to any of the transactions contemplated hereby or the process leading thereto, including with respect to any amendment, waiver or other modification hereof or of any other Loan Document (irrespective of whether any Arranger or Lender has advised or is currently advising the Borrower or any of its Affiliates on other matters) and (C) none of the Administrative Agent or any of the Lenders has any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Administrative Agent and the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from, and may conflict with, those of the Borrower and its Affiliates, and none of the Administrative Agent or any Lender has any obligation to disclose any of such interests by virtue of any advisory, agency or fiduciary relationship to the Borrower or its Affiliates. To the fullest extent permitted by law, the Borrower hereby waives and releases any claims that it may have against the Administrative Agent with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

(b) Each Loan Party acknowledges and agrees that each Lender and any Affiliate thereof may lend money to, invest in, and generally engage in any kind of business with, any of the Borrower, any Affiliate thereof or any other person or entity that may do business with or own securities of any of the foregoing, all as if such Lender or Affiliate thereof were not a Lender or an Affiliate thereof (or an agent or any other person with any similar role under the Committed Loans) and without any duty to account therefor to any other Lender, the Borrower or any Affiliate of the foregoing. Each Lender and any Affiliate thereof may accept fees and other consideration from the Borrower or any Affiliate thereof for services in connection with this Agreement, the Committed Loans or otherwise without having to account for the same to any other Lender, the Borrower or any Affiliate of the foregoing.

**10.17 Electronic Execution of Assignments and Certain Other Documents.** The words "execute," "execution," "signed," "signature," "delivery" and words of like import in or related to this Agreement, any other Loan Document or any document, amendment, approval, consent, waiver, modification, information, notice, certificate, report, statement, disclosure, or authorization to be signed or delivered in connection with this Agreement or any other Loan Document or the transactions contemplated hereby shall be deemed to include Electronic Signatures or execution in the form of an Electronic Record, and contract formations on electronic platforms approved by the Administrative Agent, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. Each party hereto agrees that any Electronic Signature or execution in the form of an Electronic Record shall be valid and binding on itself and each of the other parties hereto to the same extent as a manual, original signature. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the parties of a manually signed paper which has been converted into electronic form (such as scanned into PDF format), or an electronically signed paper converted into another format, for transmission, delivery and/or retention. Notwithstanding anything contained herein to the contrary, the Administrative Agent is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it; provided that without limiting the foregoing, (a) to the extent the Administrative Agent has agreed to accept such Electronic Signature from any party hereto, the Administrative Agent and the other parties hereto shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of the executing party without further verification and (b) upon the request of the Administrative Agent or any Lender, any Electronic Signature shall be promptly followed by an original manually executed counterpart thereof. Without limiting the generality of the foregoing, each party hereto hereby (i) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent, the Lenders and any of the Loan Parties, electronic images of this Agreement or any other Loan Document (in each case, including with respect to any signature pages thereto) shall have the same legal effect, validity and enforceability as any paper original, and (ii) waives any argument, defense or right to contest the validity or enforceability of the Loan Documents based solely on the lack of paper original copies of any Loan Documents, including with respect to any signature pages thereto.

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10.18 **PATRIOT Act.** Each Lender that is subject to Anti-Terrorism Laws, including the Patriot Act, and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Borrower and the Guarantors, which information includes the name and address of each Loan Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify each Loan Party in accordance with the Patriot Act. As provided in Section 7.12, the Borrower shall, promptly following a request by the Administrative Agent or any Lender, provide all documentation and other information that the Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable Anti-Terrorism Laws, including the Patriot Act.

10.19 **Time of the Essence.** Time is of the essence of the Loan Documents.

10.20 **Designation as Senior Debt.** All Obligations shall be "Designated Senior Indebtedness" for purposes of any public indebtedness of the Borrower and its Subsidiaries issued after the Closing Date.

10.21 **FCC Approval.** Notwithstanding anything to the contrary contained in this Agreement or in the other Loan Documents, neither the Administrative Agent nor any Lender will take any action pursuant to this Agreement or any of the other Loan Documents, which would constitute or result in a change in control of the Borrower or any of its Subsidiaries requiring the prior approval of the FCC without first obtaining such prior approval of the FCC. After the occurrence of an Event of Default, the Borrower shall take or cause to be taken any action which the Administrative Agent may reasonably request in order to obtain from the FCC such approval as may be necessary to enable the Administrative Agent to exercise and enjoy the full rights and benefits granted to the Administrative Agent, for the benefit of the Lenders by this Agreement or any of the other Loan Documents, including, at the Borrower's cost and expense, the use of the Borrower's best efforts to assist in obtaining such approval for any action or transaction contemplated by this Agreement or any of the other Loan Documents for which such approval is required by Law.

10.22 **Entire Agreement.** THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

10.23 **Keepwell.** Each Loan Party that is a Qualified ECP Guarantor at the time the Guaranty under the Loan Documents, in each case, by any Specified Loan Party, becomes effective with respect to any Swap Obligation, hereby jointly and severally, absolutely, unconditionally and irrevocably undertakes to provide such funds or other support to each Specified Loan Party with respect to such Swap Obligation as may be needed by such Specified Loan Party from time to time to honor all of its obligations under its Guaranty and the other Loan Documents in respect of such Swap Obligation (but, in each case, only up to the maximum amount of such liability that can be hereby incurred without rendering such Qualified ECP Guarantor's obligations and undertakings under this Section 10.23 voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations and undertakings of each Qualified ECP Guarantor under this Section shall remain in full force and effect until the Obligations have been indefeasibly paid and performed in full. Each Qualified ECP Guarantor intends this Section to constitute, and this Section shall be deemed to constitute, a guarantee of the obligations of, and a "keepwell, support, or other agreement" for the benefit of, each Specified Loan Party for all purposes of the Commodity Exchange Act.

10.24 **Acknowledgement and Consent to Bail-In of Affected Financial Institutions.** Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of an Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and
  - (b) the effects of any Bail-In Action on any such liability, including, if applicable:
    - (i) a reduction in full or in part or cancellation of any such liability;
    - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or
    - (iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.
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10.25 **Acknowledgement Regarding Any Supported QFCs.** To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Swap Contracts or any other agreement or instrument that is a QFC (such support, "**QFC Credit Support**" and each such QFC a "**Supported QFC**"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "**U.S. Special Resolution Regimes**") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

In the event a Covered Entity that is party to a Supported QFC (each, a "**Covered Party**") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

10.26 **Amendment and Restatement; No Novation; Amendment of Certain Loan Documents.** This Agreement constitutes an amendment and restatement of the Prior Credit Agreement, effective from and after the Closing Date. The execution and delivery of this Agreement shall not constitute a novation of any indebtedness or other obligations owing to the Lenders or the Administrative Agent under the Prior Credit Agreement based on facts or events occurring or existing prior to the execution and delivery of this Agreement. On the Closing Date, the credit facilities described in the Prior Credit Agreement, shall be amended, supplemented, modified and restated in their entirety by the facilities described herein, and all loans and other obligations of the Borrower outstanding as of such date under the Prior Credit Agreement, shall be deemed to be loans and obligations outstanding under the corresponding facilities described herein, without any further action by any Person, except that the Administrative Agent shall make such transfers of funds as are necessary in order that the outstanding balance of such Loans, together with any Loans funded on the Closing Date, reflect the respective Commitment of the Lenders hereunder.

[Signatures follow]

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

**TELEPHONE AND DATA SYSTEMS, INC.**

By: /s/ Peter L. Sereda  
Peter L. Sereda  
Executive Vice President and Chief Financial Officer

By: /s/ John M. Toomey  
John M. Toomey  
Vice President and Treasurer

**COBANK, ACB,**  
as Administrative Agent and a Lender

By: /s/ Andy Smith  
Andy Smith  
Managing Director

**AGFIRST FARM CREDIT BANK,** as a Voting Participant  
pursuant to Section 10.06 of the Credit Agreement

By: /s/ Christopher Reynolds  
Name: Christopher Reynolds  
Title: AVP

**COMPEER FINANCIAL, FLCA,** as a Voting Participant  
pursuant to Section 10.06 of the Credit Agreement

By: /s/ Jeremy Voigts  
Name: Jeremy Voigts  
Title: Director, Capital Markets

**FARM CREDIT BANK OF TEXAS,** as a Voting  
Participant pursuant to Section 10.06 of the Credit  
Agreement

By: /s/ Isaac E. Bennett  
Name: Isaac E. Bennett  
Title: Vice President

**FARM CREDIT SERVICES OF AMERICA, FLCA,** as a  
Voting Participant pursuant to Section 10.06 of the Credit  
Agreement

By: /s/ Nicholas King  
Name: Nicholas King  
Title: Vice President

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**AGCOUNTRY FARM CREDIT SERVICES, FLCA**, as a Voting Participant pursuant to Section 10.06 of the Credit Agreement

By: /s/ Gustave Radcliffe  
Name: Gustave Radcliffe  
Title: Vice President

**FARM CREDIT EAST, ACA**, as a Voting Participant pursuant to Section 10.06 of the Credit Agreement

By: /s/ Benjamin Thompson  
Name: Benjamin Thompson  
Title: Vice President

**FEDERAL AGRICULTURAL MORTGAGE CORPORATION**, as a Voting Participant pursuant to Section 10.06 of the Credit Agreement

By: /s/ Eric Estey  
Name: Eric Estey  
Title: VP

**FARM CREDIT WEST, FLCA**, as a Voting Participant pursuant to Section 10.06 of the Credit Agreement

By: /s/ Robert Stornetta  
Name: Robert Stornetta  
Title: Senior Vice President, Capital Markets

**FARM CREDIT OF NEW MEXICO, ACA**, as a Voting Participant pursuant to Section 10.06 of the Credit Agreement

By: /s/ Mitch Selking  
Name: Mitch Selking  
Title: Director of Corporate Agribusiness Lending

**AMERICAN AGCREDIT, FLCA**, as a Voting Participant pursuant to Section 10.06 of the Credit Agreement

By: /s/ Daniel K. Hansen  
Name: Daniel K. Hansen  
Title: Vice President

**GREENSTONE FARM CREDIT SERVICES, FLCA**, as a Voting Participant pursuant to Section 10.06 of the Credit Agreement

By: /s/ Shane Prichard  
Name: Shane Prichard  
Title: VP of Capital Markets

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**FARM CREDIT MID-AMERICA, FLCA**, as a Voting Participant pursuant to Section 10.06 of the Credit Agreement

By: /s/ Daniel Jordan  
Name: Daniel Jordan  
Title: Senior Credit Officer Food and Agribusiness

**NORTHWEST FARM CREDIT SERVICES, FLCA**, as a Voting Participant pursuant to Section 10.06 of the Credit Agreement

By: /s/ Paul Hadley  
Name: Paul Hadley  
Title: Vice President

**CAPITAL FARM CREDIT, FLCA**, as a Voting Participant pursuant to Section 10.06 of the Credit Agreement

By: /s/ Donald L. Palm  
Name: Donald L. Palm  
Title: SVP

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**VOTING PARTICIPANTS**

1. AgCountry Farm Credit Services, FLCA
  2. AgFirst Farm Credit Bank
  3. American AgCredit, FLCA
  4. Capital Farm Credit, FLCA
  5. Compeer Financial, FLCA
  6. Farm Credit Bank of Texas
  7. Farm Credit East, ACA
  8. Farm Credit Mid-America, FLCA,  
f/k/a Farm Credit Services of Mid-America, FLCA
  9. Farm Credit of New Mexico, FLCA  
a wholly owned subsidiary of Farm Credit of New Mexico, ACA
  10. Farm Credit Services of America, FLCA
  11. Farm Credit West, FLCA
  12. Federal Agricultural Mortgage Corporation
  13. GreenStone Farm Credit Services, FLCA
  14. Northwest Farm Credit Services, FLCA
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**AMENDED AND RESTATED  
GUARANTY**

THIS AMENDED AND RESTATED GUARANTY (as amended, restated, supplemented or otherwise modified from time to time, this "**Guaranty**"), dated as of July 30, 2021, is made by Telephone and Data Systems, Inc., a Delaware corporation (the "**Borrower**"), each of the other parties listed on the signature pages hereto and each other Person which may from time to time become a party to this Guaranty pursuant to Section 22 (collectively, the "**Additional Guarantors**," and each, an "**Additional Guarantor**," and together with the Borrower and each of the other signatories party hereto, collectively, the "**Guarantors**," and each, a "**Guarantor**"), in favor of Administrative Agent, for the benefit of Guarantied Parties.

BACKGROUND.

The Borrower, the lenders from time to time party thereto (collectively, the "**Lenders**"), and CoBank, ACB, as administrative agent for the Lenders (in such capacity, the "**Administrative Agent**"), have entered into that certain Amended and Restated Credit Agreement, dated as of July 30, 2021 (as amended, restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**").

The Borrower and certain Guarantors entered into that certain Guaranty, dated as of January 6, 2020 (as amended, restated, supplemented or otherwise modified from time to time, the "**Existing Guaranty**") in favor of the Administrative Agent, for the benefit of the Guarantied Parties.

The Borrower and each of the other Guarantors are members of the same consolidated group of companies and are engaged in operations which require financing on a basis in which credit can be made available from time to time to the Borrower, and the Guarantors will derive direct and indirect economic benefit from the Loans and other financial accommodations under the Credit Agreement and the financial accommodations under the Guarantied Hedge Agreements.

It is a condition precedent to the effectiveness of the Credit Agreement, the obligation of the Lenders to make Loans under the Credit Agreement and to extend other credit and financial accommodations under the Loan Documents and of the Hedge Banks to provide financial accommodations pursuant to Guarantied Hedge Agreements that the Guarantors shall have executed and delivered this Guaranty, which shall amend and restate the Existing Guaranty in its entirety.

AGREEMENT.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to induce Guarantied Parties to (a) enter into the Credit Agreement, make Loans under the Credit Agreement and extend other credit and financial accommodations under the Loan Documents and (b) provide financial accommodations under the Guarantied Hedge Agreements, each Guarantor hereby agrees with the Administrative Agent, for its benefit and the benefit of the other Guarantied Parties, and each other Guarantied Party as follows:

SECTION 1. Definitions: Other Terms.

(a) Capitalized terms used herein and not otherwise defined herein shall have the meanings given such terms in the Credit Agreement, and, to the extent of any conflict, terms as defined in the Credit Agreement shall control (provided, that a more expansive or explanatory definition shall not be deemed a conflict). As used herein the following terms shall have the following meanings:

"**Fraudulent Transfer Laws**" means applicable Laws relating to fraudulent conveyance or fraudulent transfer, including Section 548 of Bankruptcy Code or any applicable provisions of comparable state Law.

"**Guarantied Obligations**" means, collectively, (a)(i) with respect to the Borrower, (A) Obligations owing by any Loan Party (other than the Borrower) or any Subsidiary of a Loan Party under any Guarantied Hedge Agreement, and (B) the payment and performance obligations of each Specified Loan Party under this Guaranty, and (ii) with respect to each other Guarantor, the Obligations, whether now or hereafter existing and whether for principal, interest, fees, expenses or otherwise, (b) any and all reasonable and invoiced out-of-pocket expenses (including the reasonable and invoiced fees, charges and disbursements of any one counsel for the Administrative Agent, one additional counsel on behalf of the Lenders, and one local counsel in each relevant jurisdiction) incurred by the Guarantied Parties in enforcing any rights under this Guaranty, and (c) all present and future amounts that would become due with respect to the foregoing but for the operation of any provision of Debtor Relief Laws, and all present and future accrued and unpaid interest with respect to the foregoing, including, without limitation, all post-petition interest if any Loan Party becomes subject to any proceeding under Debtor Relief Laws.

(b) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "**include**," "**includes**" and "**including**" shall be deemed to be followed by the phrase "**without limitation**." The word "**will**" shall be construed to have the same meaning and effect as the word "**shall**." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "**hereto**," "**herein**," "**hereof**" and "**hereunder**," and words of similar import shall be construed to refer to this Guaranty in its entirety and not to any particular provision hereof, (iv) all references herein to Sections and Exhibits shall be construed to refer to Sections of and Exhibits to this Guaranty, (v) any reference to any Law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such Law and any reference to any Law or regulation shall, unless otherwise specified, refer to such Law or regulation as amended, modified or supplemented from time to time, and (vi) the words "**asset**" and "**property**" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 2. Guaranty. Each of the Guarantors hereby jointly and severally absolutely and unconditionally guarantees prompt payment when due, whether at stated maturity, by acceleration, or otherwise, of, and the performance of, the Guaranteed Obligations; provided, that the Guaranteed Obligations shall not, as to any Guarantor, include any Excluded Swap Obligations of such Guarantor. Upon failure of the Borrower to pay any of the Guaranteed Obligations when due (whether at stated maturity, by acceleration or otherwise), Guarantors hereby further jointly and severally agree to promptly pay the same to the Administrative Agent for the benefit of Guaranteed Parties, without any other demand or notice whatsoever, including without limitation, any notice having been given to any Guarantor of either the acceptance of this Guaranty or the creation or incurrence of any of the Guaranteed Obligations. This Guaranty is an absolute guaranty of payment and performance of the Guaranteed Obligations and not a guaranty of collection, meaning that it is not necessary for the Administrative Agent (for and on behalf of Guaranteed Parties), in order to enforce payment by Guarantors, first or contemporaneously to accelerate payment of any of the Guaranteed Obligations or to institute suit or exhaust any rights against any Loan Party or any other Person. Notwithstanding anything herein or in any other Loan Document or any Guaranteed Hedge Agreement to the contrary, in any action or proceeding involving any state corporate or other business entity Law, or any state or federal bankruptcy, insolvency, reorganization or other Law affecting the rights of creditors generally (including any Debtor Relief Law), if, as a result of Fraudulent Transfer Laws, the obligations of any Guarantor under this Section 2 would otherwise, after giving effect to (a) all other liabilities of such Guarantor, contingent or otherwise, that are relevant under Fraudulent Transfer Laws (specifically excluding, however, any liabilities of the Guarantor in respect of intercompany Indebtedness to the Borrower or any Subsidiary to the extent that such Indebtedness would be discharged in an amount equal to the amount paid by the Guarantor hereunder) and (b) the value as assets of such Guarantor (as determined under the applicable provisions of Fraudulent Transfer Laws) of any rights to subrogation, contribution, reimbursement, indemnity or similar rights held by such Guarantor pursuant to (i) applicable Law, (ii) Section 17 hereof or (iii) any agreement providing for rights of subrogation, reimbursement or contribution in favor of such Guarantor, or for an equitable allocation among such Guarantor, any other Loan Party, or Subsidiaries or Affiliates of the Borrower, and any other Person of obligations arising under guaranties by such Persons, be held or determined to be void, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under this Section 2, then the amount of such liability shall, without any further action by such Guarantor, any Guaranteed Party, the Administrative Agent or any other Person, be automatically limited and reduced to the highest amount that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

SECTION 3. Guaranty Absolute. Each Guarantor guarantees that the Guaranteed Obligations will be paid and performed strictly in accordance with the terms of the Credit Agreement, the other Loan Documents and the Guaranteed Hedge Agreements without set-off or counterclaim, and regardless of any applicable Law now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Guaranteed Parties with respect thereto. The liability of each Guarantor under this Guaranty shall be absolute and unconditional irrespective of:

- (a) any lack of validity or enforceability of any provision of any Loan Document, any Guaranteed Hedge Agreement, any other agreement or instrument relating to any of the foregoing or avoidance or subordination of any of the Guaranteed Obligations;
  - (b) any change in the time, manner or place of payment or performance of, or in any other term of, or any increase in the amount of, all or any of the Guaranteed Obligations, or any other amendment or waiver of any term of, or any consent to departure from any requirement of, any of the Loan Documents or the Guaranteed Hedge Agreements;
  - (c) any release of any other Loan Party or amendment or waiver of any term of any other guaranty of, or any consent to departure from any requirement of any other guaranty of, all or any of the Guaranteed Obligations;
  - (d) the absence of any attempt to collect any of the Guaranteed Obligations from any other Loan Party or any other action to enforce the same or the election of any remedy by any of the Guaranteed Parties;
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(e) any waiver, consent, extension, forbearance or granting of any indulgence by any of the Guaranteed Parties with respect to any provision of any Loan Document or any Guaranteed Hedge Agreement (except to the extent any written waiver, consent, forbearance or indulgence executed in accordance with such Loan Document or such Guaranteed Hedge Agreement, as applicable, expressly modifies or terminates the obligations of such Guarantor);

(f) the election by any of the Guaranteed Parties in any proceeding under any Debtor Relief Law;

(g) any borrowing or grant of a Lien by the Borrower or the grant of a Lien by any other Loan Party, as debtor-in-possession, under any Debtor Relief Law; or

(h) any other circumstance which might otherwise constitute a legal or equitable discharge or defense of any Guarantor or any other Loan Party other than payment or performance of the Guaranteed Obligations.

#### SECTION 4. Waiver.

(a) Each Guarantor hereby (i) waives (A) promptness, diligence, and, except as otherwise provided herein, notice of acceptance and any and all other notices, including, without limitation, notice of intent to accelerate and notice of acceleration, with respect to any of the Guaranteed Obligations or this Guaranty, (B) any requirement that any of the Guaranteed Parties exhaust any right or take any action against the Borrower or any other Person, (C) the filing of any claim with a court in the event of receivership or bankruptcy of any Loan Party or any other Person, (D) except as otherwise provided herein, protest or notice with respect to nonpayment of all or any of the Guaranteed Obligations, (E) except as otherwise provided herein, all demands whatsoever (and any requirement that demand be made on the Borrower or any other Person as a condition precedent to such Guarantor's obligations hereunder), (F) all rights by which any Guarantor might be entitled to require suit on an accrued right of action in respect of any of the Guaranteed Obligations or require suit against any other Guarantor or any other Person, (G) any defense based upon an election of remedies by any Guaranteed Party, or (H) notice of any events or circumstances set forth in clauses (a) through (h) of Section 3; and (ii) covenants and agrees that, except as otherwise agreed by the parties, this Guaranty will not be discharged except upon the Release Date (as hereinafter defined).

(b) If, in the exercise of any of its rights and remedies in accordance with the provisions of applicable Law, any Guaranteed Party shall forfeit any of its rights or remedies, including, without limitation, its right to enter a deficiency judgment against any Loan Party or any other Person, whether because of any applicable Law pertaining to "election of remedies" or the like, each Guarantor hereby consents to such action by such Guaranteed Party and waives any claim based upon such action. Any election of remedies which, by reason of such election, results in the denial or impairment of the right of such Guaranteed Party to seek a deficiency judgment against any Loan Party or any other Person shall not impair the obligation of such Guarantor to pay the full amount of the Guaranteed Obligations or any other obligation of such Guarantor contained herein.

(c) If any of the Guaranteed Parties shall bid at any foreclosure or trustee's sale or at any private sale permitted by Law or under any of the Loan Documents or any Guaranteed Hedge Agreement, to the extent not prohibited by applicable Law, such Guaranteed Party may bid all or less than the amount of the Guaranteed Obligations and the amount of such bid, if successful, need not be paid by such Guaranteed Party but shall be credited against the Guaranteed Obligations.

(d) Each Guarantor agrees that, notwithstanding any provision of this Guaranty and without limiting the generality any provision of this Guaranty, if the Guaranteed Parties are prevented by applicable Law from exercising their respective rights to accelerate the maturity of the Guaranteed Obligations, to collect interest on the Guaranteed Obligations, or to enforce or exercise any other right or remedy with respect to the Guaranteed Obligations, such Guarantor shall promptly pay to the Administrative Agent for the account of Guaranteed Parties, upon demand therefor, for application to the Guaranteed Obligations, the amount that would otherwise have been due and payable had such rights and remedies been permitted to be exercised by the Guaranteed Parties.

(e) Each Guarantor hereby assumes responsibility for keeping itself informed of the financial condition of the Borrower and each other Loan Party, and of all other circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations or any part thereof, that diligent inquiry would reveal. Each Guarantor hereby agrees that Guaranteed Parties shall have no duty to advise any Guarantor or any other Loan Party of information known to any of Guaranteed Parties regarding such condition or any such circumstance. In the event that any of Guaranteed Parties in its sole discretion undertakes at any time or from time to time to provide any such information to any Guarantor or other Loan Party, such Guaranteed Party shall be under no obligation (i) to undertake any investigation not a part of its regular business routine, (ii) to disclose any information which, pursuant to accepted or reasonable banking or commercial finance practices or agreement, such Guaranteed Party wishes to maintain as confidential, or (iii) to make any other or future disclosures of such information or any other information to such Guarantor or any other Loan Party.

(f) Each Guarantor consents and agrees that Guaranteed Parties shall be under no obligation to marshal any assets in favor of any Guarantor or any other Loan Party or otherwise in connection with obtaining payment of any or all of the Guaranteed Obligations from any Person or source.

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SECTION 5. Representations and Warranties.

(a) Each Guarantor hereby represents and warrants to the Guaranteed Parties that the representations and warranties set forth in Article V of the Credit Agreement as they relate to such Guarantor or to the Loan Documents to which such Guarantor is a party are true and correct in all material respects in the manner specified in the Credit Agreement, and the Guaranteed Parties shall be entitled to rely on each of them as if they were fully set forth herein.

(b) All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Guaranteed Parties, regardless of any investigation made by any Guaranteed Party and notwithstanding that the Guaranteed Parties may have had notice or knowledge of any Default at the time of any credit extension, and shall continue in full force and effect as long as any Loan or any other Guaranteed Obligations shall remain unpaid or unsatisfied.

SECTION 6. Amendments, Etc. Neither any amendment or waiver of any provision of this Guaranty nor consent to any departure by any Guarantor herefrom shall in any event be effective unless the same shall be in writing, approved by Required Lenders (or by all Lenders where the approval of each Lender is required under the Credit Agreement) and signed by the Administrative Agent and Guarantors, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. Notwithstanding the foregoing, each Guarantor shall be released from any and all obligations hereunder in accordance with the provisions of Section 9.10 of the Credit Agreement.

SECTION 7. Addresses for Notices. All notices and other communications provided for herein shall be effectuated in the manner provided for in Section 10.02 of the Credit Agreement; provided, that if a notice or communication hereunder is sent to a Guarantor, said notice shall be addressed to such Guarantor, in care of the Borrower at the Borrower's then current address, facsimile number, electronic mail address or telephone number for notice under the Credit Agreement.

SECTION 8. No Waiver; Remedies.

(a) No failure on the part of any Guaranteed Party to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by applicable Law or by any of the other Loan Documents or Guaranteed Hedge Agreements.

(b) No waiver by the Guaranteed Parties of any default shall operate as a waiver of any other default or the same default on a future occasion, and no action by any of the Guaranteed Parties permitted hereunder shall in any way affect or impair any of the rights of the Guaranteed Parties or the obligations of any Guarantor under this Guaranty, under any of the other Loan Documents or under any Guaranteed Hedge Agreement, except as specifically set forth in any such waiver. Any determination by a court of competent jurisdiction of the amount of any principal and/or interest or other amount constituting any of the Guaranteed Obligations shall be conclusive and binding on each Guarantor irrespective of whether such Guarantor was a party to the suit or action in which such determination was made.

SECTION 9. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Guaranteed Party is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Guaranteed Party to or for the credit or the account of each Guarantor against any and all of the Guaranteed Obligations of such Guarantor, irrespective of whether or not such Guaranteed Party shall have made any demand under this Guaranty or any other Loan Document or Guaranteed Hedge Agreement and although such Guaranteed Obligations of such Guarantor may be contingent or unmaturing or are owed to a branch or office of such Guaranteed Party different from the branch or office holding such deposit or obligated on such indebtedness; provided that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.12 of the Credit Agreement and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Guaranteed Parties, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Guaranteed Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Guaranteed Party under this Section 9 are in addition to other rights and remedies (including other rights of setoff) that such Guaranteed Party may have. Each Guaranteed Party shall notify the applicable Guarantor and the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

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SECTION 10. Continuing Guaranty; Transfer of Guaranteed Obligations. This Guaranty (a) is (i) a continuing guaranty and shall remain in full force and effect until the earlier of (A) the Guaranty Release Date and (B) the date upon which all of the Guaranteed Obligations are fully, indefeasibly, absolutely and unconditionally paid and performed and the Aggregate Commitments are terminated (such earlier date, the "Release Date") and (ii) binding upon each Guarantor, its successors and permitted assigns and such Guarantor as debtor-in-possession, and (b) inures to the benefit of is enforceable by the Administrative Agent and the other Guaranteed Parties and their respective successors, permitted transferees, and permitted assigns. Without limiting the generality of the foregoing clause (b), each of the Guaranteed Parties may assign or otherwise transfer any Guaranteed Obligations owed to it to any other Person, and such other Person shall thereupon become vested with all the rights in respect thereof granted to such Guaranteed Party herein or otherwise with respect to such Guaranteed Obligations so transferred or assigned; subject, however, to compliance with the provisions of the Credit Agreement. Except as the result of the consummation of a transaction permitted under Section 7.04 of the Credit Agreement, no Guarantor may assign any of its obligations under this Guaranty.

SECTION 11. Application of Payments. All amounts and property received by the Administrative Agent and the other Guaranteed Parties pursuant to this Guaranty (including amounts and property received or applied pursuant to Section 9 or application of other rights of setoff) shall be applied as provided in Section 8.03 of the Credit Agreement.

SECTION 12. Reinstatement; Stay of Acceleration; Termination. This Guaranty shall remain in full force and effect and continue to be effective should any petition be filed by or against any Loan Party under any Debtor Relief Law, should any Loan Party become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of any Loan Party's assets, and shall, to the fullest extent permitted by applicable Law, continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Guaranteed Obligations, or any part thereof, is, pursuant to applicable Law or otherwise, rescinded or reduced in amount, or must otherwise be restored or returned by any obligees of the Guaranteed Obligations or such part thereof, whether as a "voidable preference," "fraudulent transfer," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Guaranteed Obligations shall, to the fullest extent not prohibited by Law, be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned. If acceleration of the time for payment of any of the Guaranteed Obligations is stayed upon the insolvency, bankruptcy or reorganization of the Borrower, all such amounts otherwise subject to acceleration under the terms of any agreement relating to the Guaranteed Obligations shall nonetheless be payable by each Guarantor forthwith on demand by the Administrative Agent. Subject to the reinstatement provisions of this Section 12, this Guaranty shall remain in full force and effect until the Release Date.

SECTION 13. Governing Law; Jurisdiction; Etc.

(a) THIS GUARANTY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(b) EACH GUARANTOR IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS GUARANTY OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT OR ANY OTHER GUARANTIED PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS GUARANTY OR ANY OTHER LOAN DOCUMENT AGAINST ANY GUARANTOR OR THEIR RESPECTIVE PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) EACH GUARANTOR IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 7. NOTHING IN THIS GUARANTY WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

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SECTION 14. Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS GUARANTY OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO, AND EACH GUARANTIED PARTY BY ITS ACCEPTANCE OF THE BENEFITS OF THIS GUARANTY, (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS GUARANTY BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 15. Section Titles. The Section titles contained in this Guaranty are and shall be without substantive meaning or content of any kind whatsoever and are not to be used in any interpretation of this Guaranty.

SECTION 16. Counterparts. This Guaranty may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Guaranty by facsimile or other electronic imaging means (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Guaranty.

SECTION 17. Subrogation and Subordination.

(a) Until the Release Date, no Guarantor shall assert, enforce, or otherwise exercise (i) any right of subrogation to any of the rights or Liens of the Administrative Agent or any other Guarantied Party or any Person acting for the benefit of the Administrative Agent or any other Guarantied Party against any other Loan Party or any collateral or any other security for the Guarantied Obligations, or (ii) any right of recourse, reimbursement, contribution, indemnification, or similar right against any other Loan Party on all or any part of the Guarantied Obligations. This Section 17 shall survive the termination of this Guaranty, and any satisfaction and discharge of Guarantors by virtue of any payment, court order, or Law.

(b) With respect to each Guarantor, all indebtedness and other liabilities of each other Loan Party to such Guarantor ("**Loan Party Debt**") are expressly subordinate and junior to the Guarantied Obligations and any instruments evidencing the Guarantied Obligations to the extent provided below.

(i) Until the Release Date, each Guarantor agrees that it will not request, demand, accept, or receive (by set-off or other manner) any payment amount, credit or reduction of all or any part of the amounts owing under the Loan Party Debt or any security therefor, except as specifically allowed pursuant to clause (ii);

(ii) Notwithstanding the provisions of clause (i), the Borrower and each other Loan Party may pay to such Guarantor and such Guarantor may request, demand, accept and receive and retain from the Borrower payments, credits or reductions of all or any part of the amounts owing under the Loan Party Debt or any security therefor on the Loan Party Debt, provided that the Borrower's and each other Loan Party's right to pay and such Guarantor's right to receive any such amount shall automatically and be immediately suspended and cease (A) if an Event of Default pursuant to Sections 8.01(a)(i), 8.01(a)(ii) (with respect to interest on any Loan only), 8.01(c) (with respect to Section 7.10 of the Credit Agreement), 8.01(f) or 8.01(g) of the Credit Agreement exists or (B) if, after taking into account the effect of such payment, an Event of Default pursuant to Sections 8.01(a)(i), 8.01(a)(ii) (with respect to interest on any Loan only), 8.01(c) (with respect to Section 7.10 of the Credit Agreement), 8.01(f) or 8.01(g) of the Credit Agreement would exist. Such Guarantor's right to receive amounts under this clause (ii) (including any amounts which theretofore may have been suspended) shall automatically be reinstated at such time as the Event of Default which was the basis of such suspension has been cured or waived (such cure or waiver to be evidenced by the Administrative Agent's written agreement), provided that no subsequent Event of Default pursuant to Sections 8.01(a)(i), 8.01(a)(ii) (with respect to interest on any Loan only), 8.01(c) (with respect to Section 7.10 of the Credit Agreement), 8.01(f) or 8.01(g) of the Credit Agreement has occurred, or such earlier date, if any, as the Administrative Agent gives notice to Guarantors of reinstatement by the Required Lenders, in the Required Lenders' sole discretion;

(iii) If any Guarantor receives any payment on the Loan Party Debt in violation of this Guaranty, such Guarantor will hold such payment in trust for the Guarantied Parties and will promptly deliver such payment, together with any necessary endorsement, to the Administrative Agent; and

(iv) In the event of the commencement or joinder of any suit, action or proceeding of any type (judicial or otherwise) or proceeding under any Debtor Relief Law against the Borrower or any other Loan Party (an "**Insolvency Proceeding**"), the Guarantied Obligations shall first be paid, discharged and performed in full before any payment or performance is made upon the Loan Party Debt notwithstanding any other provisions which may be made in such Insolvency Proceeding. In the event of any Insolvency Proceeding, each Guarantor will at any time prior to the Release Date (A) file, at the request of any Guarantied Party, any claim, proof of claim or similar instrument necessary to enforce the Borrower's or such other Loan Party's obligation to pay the Loan Party Debt, and (B) hold in trust for and pay to the Administrative Agent, for the benefit of the Guarantied Parties, any and all monies, obligations, property, stock dividends or other assets received in any such proceeding on account of the Loan Party Debt in order that the Guarantied Parties may apply such monies or the cash proceeds of such other assets to the Guarantied Obligations.

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SECTION 18. Guarantor Insolvency. Should any Guarantor voluntarily seek, consent to, or acquiesce in the benefits of any Debtor Relief Law or become a party to or be made the subject of any Insolvency Proceeding (other than as a creditor or claimant), then the obligations of such Guarantor under this Guaranty shall be, as between such Guarantor and such Guaranteed Party, a fully-matured, due, and payable and performable obligation of such Guarantor to such Guaranteed Party (without regard to whether an Event of Default exists or whether any part of the Obligations is then due and owing by the Borrower to such Guaranteed Party), payable and performable in full by such Guarantor to the Administrative Agent, for the benefit of such Guaranteed Party, upon demand, which shall be the estimated amount owing in respect of the contingent claim created hereunder.

SECTION 19. Interest Rate Limitation. Notwithstanding anything to the contrary contained herein or in any other Loan Document, each Guarantor and each Guaranteed Party by its acceptance hereof agree that no Guarantor shall be required or obligated to pay interest in excess of the maximum rate of non-usurious interest permitted by applicable Law (the "**Maximum Rate**"). If the Administrative Agent or any Guaranteed Party shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal amount of the Loans and then the principal amount of any other Guaranteed Obligations. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Guaranteed Party exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Guaranteed Obligations hereunder.

SECTION 20. Severability. If any provision of this Guaranty is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Guaranty shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 21. No Setoff or Deductions: Taxes. Each Guarantor represents and warrants that it is incorporated or formed, and resides in, the United States of America. All payments by each Guarantor hereunder shall be paid in full, without setoff or counterclaim (other than mandatory) or any deduction or withholding whatsoever, including, without limitation, for any and all present and future Taxes, except as required by applicable Law. If a Guarantor must make a payment under this Guaranty, such Guarantor represents, warrants and covenants that it will make the payment from one of its U.S. resident offices to the Administrative Agent or each other Guaranteed Party. If any Guarantor makes a payment under this Guaranty on which any Indemnified Taxes or Other Taxes are at any time imposed including, but not limited to, payments made pursuant to this Section 21, each Guarantor shall pay all such Indemnified Taxes or Other Taxes to the relevant authority in accordance with applicable Law such that the Administrative Agent or any other Guaranteed Party receives the sum it would have received had no such deduction or withholding for Indemnified Taxes or Other Taxes been made and shall also pay to the Administrative Agent or any other Guaranteed Party, on demand, all additional amounts which the Administrative Agent or any other Guaranteed Party specifies as necessary to preserve the after-tax yield the Administrative Agent or such other Guaranteed Party would have received if such Indemnified Taxes or Other Taxes had not been imposed. Each Guarantor shall promptly provide the Administrative Agent or any other Guaranteed Party with the original or a certified copy of a receipt issued by the relevant authority evidencing the payment of any such amount required to be deducted or withheld or other evidence of such payment reasonably satisfactory to the Administrative Agent or such other Guaranteed Party.

SECTION 22. Additional Guarantors. Upon the execution and delivery by any other Person of a Guaranty Supplement in substantially the form of Exhibit A (each, a "**Guaranty Supplement**"), such Person shall become a "Guarantor" hereunder with the same force and effect as if originally named as a Guarantor herein. The execution and delivery of any Guaranty Supplement shall not require the consent of any other Guarantor hereunder. The rights and obligations of each Guarantor hereunder shall remain in full force and effect notwithstanding the addition of any new Guarantor as a party to this Guaranty.

SECTION 23. Keepwell. Each Loan Party that is a Qualified ECP Guarantor at the time this Guaranty, in each case, by any Specified Loan Party, becomes effective with respect to any Swap Obligation, hereby jointly and severally, absolutely, unconditionally and irrevocably undertakes to provide such funds or other support to each Specified Loan Party with respect to such Swap Obligation as may be needed by such Specified Loan Party from time to time to honor all of its obligations under this Guaranty and the other Loan Documents in respect of such Swap Obligation (but, in each case, only up to the maximum amount of such liability that can be hereby incurred without rendering such Qualified ECP Guarantor's obligations and undertakings under this Section 23 voidable under applicable Fraudulent Transfer Laws and not for any greater amount). The obligations and undertakings of each Qualified ECP Guarantor under this Section shall remain in full force and effect until the Release Date. Each Qualified ECP Guarantor intends this Section to constitute, and this Section shall be deemed to constitute, a guarantee of the obligations of, and a "keepwell, support, or other agreement" for the benefit of, each Specified Loan Party for all purposes of the Commodity Exchange Act.

SECTION 24. Entire Agreement. THIS GUARANTY AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

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SECTION 25. Effectiveness of Amendment and Restatement; No Novation. The amendment and restatement of the Existing Guaranty pursuant to this Guaranty shall be effective on the Closing Date. All obligations and rights of the Guarantors, the Administrative Agent and the Guaranteed Parties arising out of or relating to the period commencing on the Closing Date shall be governed by the terms and provisions of this Guaranty; the obligations and the rights of the Guarantors, the Administrative Agent and the Guaranteed Parties arising out of or relating to the period prior to the Closing Date shall continue to be governed by the Existing Guaranty without giving effect to the amendment and restatement provided for herein. This Guaranty shall not constitute a novation or termination of the Guarantors' obligations under the Existing Guaranty or any document, note or agreement executed or delivered in connection therewith, but shall constitute an amendment and restatement of the obligations and covenants of the Guarantors under such documents, notes and agreements, and the Guarantors hereby reaffirm all such obligations and covenants, as amended and restated hereby.

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IN WITNESS WHEREOF, each Guarantor has caused this Guaranty to be duly executed and delivered by its duly authorized officer on the date first above written.

TELEPHONE AND DATA SYSTEMS, INC.

By: \_\_\_\_\_  
Peter L. Sereda  
Executive Vice President and Chief Financial  
Officer

By: \_\_\_\_\_  
John M. Toomey  
Vice President and Treasurer

TDS TELECOMMUNICATIONS LLC

By: \_\_\_\_\_  
Anita J. Kroll  
Chief Accounting Officer

M.C.T. COMMUNICATIONS, INC.

By: \_\_\_\_\_  
Peter L. Sereda  
Vice President

ONENECK DATA CENTER HOLDINGS, LLC

By: \_\_\_\_\_  
Peter L. Sereda  
Vice President and Treasurer

ONENECK IT SOLUTIONS, LLC

By: \_\_\_\_\_  
Peter L. Sereda  
Vice President and Treasurer

AFFILIATE FUND

By: \_\_\_\_\_  
Peter L. Sereda  
President

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**EXHIBIT A**

**GUARANTY SUPPLEMENT NO. \_\_\_\_**

THIS GUARANTY SUPPLEMENT NO. \_\_\_\_ (this "**Guaranty Supplement**") is made as of \_\_\_\_\_, to the Amended and Restated Guaranty dated as of July 30, 2021 (as amended, restated, supplemented or otherwise modified from time to time, the "**Guaranty**"), among the initial signatories thereto and each other Person which from time to time thereafter became a party thereto pursuant to Section 22 thereof (each, individually, a "**Guarantor**" and, collectively, the "**Guarantors**"), in favor of the Administrative Agent for the benefit of Guaranteed Parties (as defined in the Guaranty).

**BACKGROUND.**

Capitalized terms not otherwise defined herein have the meaning specified in the Guaranty. The Guaranty provides that additional parties may become Guarantors under the Guaranty by execution and delivery of this form of Guaranty Supplement. Pursuant to the provisions of Section 22 of the Guaranty, the undersigned is becoming an Additional Guarantor under the Guaranty. The undersigned desires to become a Guarantor under the Guaranty in order to induce Guaranteed Parties to continue to make credit extensions and accommodations under the Loan Documents and Guaranteed Hedge Agreements.

**AGREEMENT.**

NOW, THEREFORE, the undersigned agrees with the Administrative Agent and each other Guaranteed Party as follows:

SECTION 1. In accordance with the Guaranty, the undersigned hereby becomes a Guarantor under the Guaranty with the same force and effect as if it were an original signatory thereto as a Guarantor and the undersigned hereby (a) agrees to all the terms and provisions of the Guaranty applicable to it as a Guarantor thereunder and (b) represents and warrants that the representations and warranties made by it as a Guarantor thereunder are true and correct on and as of the date hereof. Each reference to a "Guarantor" or an "Additional Guarantor" in the Guaranty shall be deemed to include the undersigned.

SECTION 2. Except as expressly supplemented hereby, the Guaranty shall remain in full force and effect in accordance with its terms.

SECTION 3. THIS GUARANTY SUPPLEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

SECTION 4. This Guaranty Supplement hereby incorporates by reference the provisions of the Guaranty, which provisions are deemed to be a part hereof, and this Guaranty Supplement shall be deemed to be a part of the Guaranty.

SECTION 5. This Guaranty Supplement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement. Delivery of an executed counterpart of a signature page of this Guaranty Supplement by facsimile or other electronic imaging means (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Guaranty Supplement.

**[Remainder of Page Intentionally Left Blank.]**

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EXECUTED as of the date first above written.

[ \_\_\_\_\_ ]

By:

Name:

Title:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ACCEPTED BY:

CoBank, ACB,  
as Administrative Agent

By:

Name:

Title:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**TELEPHONE AND DATA SYSTEMS, INC.  
2020 LONG-TERM INCENTIVE PLAN**

**2021 PERFORMANCE SHARE AWARD AGREEMENT**

Telephone and Data Systems, Inc., a Delaware corporation (the "Company"), hereby grants to «FNAME» «LNAME» (the "Employee") as of <<DATE>> (the "Grant Date"), pursuant to the provisions of the Telephone and Data Systems, Inc. 2020 Long-Term Incentive Plan, as it may be amended from time to time (the "Plan"), a Performance Share Award (the "Award") with a target opportunity equal to «PSA» shares of Common Stock (the "Target Opportunity"), upon and subject to the restrictions, terms and conditions set forth below. Depending on performance during the Performance Period (for all purposes of this Award Agreement, as defined in Exhibit A hereto), the Employee may be entitled under this Award Agreement to shares of Common Stock equal to 0% to 200% of the Target Opportunity, in accordance with Section 3 below. Capitalized terms not defined herein shall have the meanings specified in the Plan.

**1. Award Subject to Acceptance.**

The Award shall become null and void unless the Employee accepts this Award Agreement by executing it in the space provided at the end hereof and returning it to the Senior Vice President-Human Resources of the Company.

**2. Rights as Stockholder.**

The Employee shall not be entitled to any privileges of ownership with respect to the shares of Common Stock subject to the Award unless and until, and only to the extent, such shares become vested pursuant to the terms of this Award Agreement and the Employee becomes a stockholder of record with respect to such shares. As of each date prior to the settlement of the Award on which the Company pays a regular cash dividend to record owners of shares of Common Stock (a "Dividend Date"), then the number of shares subject to the Award shall increase by (i) the product of the Target Opportunity (as increased from time to time by cash dividend equivalents previously credited pursuant to this Section 2) immediately prior to such Dividend Date multiplied by the dollar amount of the cash dividend paid per share of Common Stock on such Dividend Date, divided by (ii) the Fair Market Value of a share of Common Stock on such Dividend Date, with such amount rounded down to the nearest whole number. Any such additional shares shall be subject to the same vesting conditions and payment terms set forth herein as the shares to which they relate.

**3. Performance-Based Vesting Conditions.**

(a) In General. The Award shall vest and become nonforfeitable pursuant to the terms of this Award Agreement and the Plan and based on the achievement of Performance Measures (for all purposes of this Award Agreement, as defined in accordance with Exhibit A hereto and determined in accordance with criteria approved by the Committee) during the Performance Period, provided that the Employee remains continuously employed with the Employers and Affiliates through the last day of the Performance Period (or as otherwise set forth in Section 4 below). Achievement of the Performance Measures shall be determined and certified by the Committee in writing prior to the settlement of the Award (but in any event within sixty (60) days following the last day of the Performance Period, or if earlier, the date of the occurrence of a Change in Control).

(b) Fractional Shares. Only a whole number of shares of Common Stock may be issued in respect of this Award. If a fractional number of shares of Common Stock is scheduled to vest pursuant to this Section 3, such number of shares shall be rounded down to the nearest whole number, with the fractional portion thereof forfeited.

(c) Forfeiture. To the extent shares of Common Stock subject to the Award fail to vest pursuant to this Section 3, then the Award shall be forfeited as it relates to those shares (except as provided in Section 7 in connection with a Change in Control), and the Employee shall have no rights with respect thereto (including, without limitation, any rights relating to unvested accumulated dividend equivalents under Section 2).

**4. Termination of Employment.**

(a) Death, Disability or Retirement. Except as otherwise provided in Section 7 in connection with a Change in Control, if the Employee terminates employment with the Employers and Affiliates prior to the last day of the Performance Period due to death, Disability or Retirement, then the Employee (or his or her beneficiary, as applicable) shall receive a pro-rata portion of the vested Award, with such vesting calculated in accordance with Section 3 based upon actual achievement of the Performance Measures through the end of the Performance Period, and the remaining portion of the Award shall be forfeited and the Employee (or his or her beneficiary, as applicable) shall have no rights with respect thereto (including, without limitation, any rights relating to unvested accumulated dividend equivalents under Section 2). Such pro-rata portion shall be measured by a fraction, of which the numerator is the number of whole months of the Performance Period during which the Employee remained in continuous employment with the Employers and Affiliates, and the denominator is the number of whole months of the Performance Period. Subject to Section 7 in connection with a Change in Control, the shares payable to the Employee (or his or her beneficiary, as applicable) pursuant to this Section 4(a) shall be delivered following the Performance Period at the time set forth in Section 6 hereof.

For purposes of this Award Agreement, "Disability" shall mean a total physical disability which, in the Committee's judgment, prevents the Employee from substantially performing such Employee's employment duties and responsibilities for a continuous period of at least six months, and "Retirement" shall mean the Employee's termination of employment on or after January 1, 2022 and at or after attainment of age 66. For the avoidance of doubt, if the Employee's employment terminates by reason of negligence or willful misconduct, as determined by the Company in its sole discretion, such termination shall not qualify as a termination due to Retirement (despite the attainment of age 66 by the Employee).

(b) Other Termination of Employment. Except as otherwise set forth in Section 7 in connection with a Change in Control, if the Employee terminates employment with the Employers and Affiliates prior to the last day of the Performance Period for a reason other than death, Disability or Retirement, then the Award immediately shall be forfeited in its entirety on the date of such termination, and the Employee shall have no rights with respect thereto (including, without limitation, any rights relating to accumulated dividend equivalents under Section 2).

**5. Forfeiture of Award and Award Gain upon Competition, Misappropriation, Solicitation or Disparagement.**

Notwithstanding any other provision herein, if the Employee engages in (i) Competition (as defined in this Section 5 below), (ii) Misappropriation (as defined in this Section 5 below), (iii) Solicitation (as defined in this Section 5 below), or (iv) Disparagement (as defined in this Section 5 below), in each case as determined by the Company in its sole discretion, then (i) on the date of such Competition, Misappropriation, Solicitation or Disparagement, the Award immediately shall be forfeited and the Employee shall have no rights with respect thereto and (ii) the Employee shall pay the Company, within five business days of receipt by the Employee of a written demand therefore, an amount in cash determined by multiplying the number of shares of Common Stock delivered to the Employee pursuant to the Award within the twelve-month period immediately preceding such Competition, Misappropriation, Solicitation or Disparagement, if any (without reduction for any shares of Common Stock delivered by the Employee or withheld by the Company pursuant to Section 8.3) by the Fair Market Value of a share of Common Stock on the date that the Award was settled. The Employee acknowledges and agrees that the Award, by encouraging stock ownership and thereby increasing an employee's proprietary interest in the Company's success, is intended as an incentive to participating employees to remain in the employ of the Employers or an Affiliate. The Employee acknowledges and agrees that this Section 5 is therefore fair and reasonable, and not a penalty.

The Employee may be released from the Employee's obligations under this Section 5 only if and to the extent the Committee determines in its sole discretion that such release is in the best interests of the Company.

The Employee agrees that by executing this Award Agreement the Employee authorizes the Employers and any Affiliate to deduct any amount owed by the Employee pursuant to this Section 5 from any amount payable by the Employers or any Affiliate to the Employee, including, without limitation, any amount payable to the Employee as salary, wages, vacation pay or bonus. The Employee further agrees to execute any documents at the time of setoff required by the Employers and any Affiliate in order to effectuate the setoff. This right of setoff shall not be an exclusive remedy (the Employer shall be entitled to any other remedy permitted under applicable law) and an Employer's or an Affiliate's election not to exercise this right of setoff with respect to any amount payable to the Employee shall not constitute a waiver of this right of setoff with respect to any other amount payable to the Employee or any other remedy. Should the Employers and/or any Affiliate institute a legal action against the Employee to recover the amounts due, the Employee agrees to reimburse the Employers and/or any Affiliate for their reasonable attorneys' fees and litigation costs incurred in recovering such amounts from the Employee.

For purposes of this Award Agreement, "Competition" shall mean that the Employee, directly or indirectly, individually or in conjunction with any Person, during the Employee's employment with the Employers and the Affiliates and for the twelve months after the termination of that employment for any reason, other than on any Employer's or Affiliate's behalf (i) has contact with any customer of an Employer or Affiliate or with any prospective customer which has been contacted or solicited by or on behalf of an Employer or Affiliate for the purpose of soliciting or selling to such customer or prospective customer the same or a similar (such that it could substitute for) product or service provided by an Employer or Affiliate during the Employee's employment with the Employers and the Affiliates; or (ii) becomes employed in the business or engages in the business of providing wireless, telephone, broadband or information technology products or services in any county or county contiguous to a county in which an Employer or Affiliate provided such products or services during the Employee's employment with the Employers and the Affiliates or had plans to do so within the twelve month period immediately following the Employee's termination of employment.

For purposes of this Award Agreement, "Misappropriation" shall mean that the Employee (i) uses Confidential Information (as defined below) for the benefit of anyone other than the Employers or an Affiliate, as the case may be, or discloses the Confidential Information to anyone not authorized by the Employers or an Affiliate, as the case may be, to receive such information; (ii) upon termination of employment, makes any summaries of, takes any notes with respect to or memorizes any Confidential Information or takes any Confidential Information or reproductions thereof from the facilities of the Employers or an Affiliate or (iii) upon termination of employment or upon the request of the Employers or an Affiliate, fails to return all Confidential Information then in the Employee's possession. For the avoidance of doubt, "Misappropriation" does not include disclosure of Confidential Information to a governmental regulatory agency, such as the U.S. Securities and Exchange Commission, provided that the Employee informs the agency that the Employers and/or Affiliates deem the information to be confidential. "Confidential Information" shall mean any confidential and proprietary drawings, reports, sales and training manuals, customer lists, computer programs and other material embodying trade secrets or confidential technical, business or financial information of the Employers or an Affiliate.

For purposes of this Award Agreement, "Solicitation" shall mean that the Employee, directly or indirectly, individually or in conjunction with any Person, during the Employee's employment with the Employers and the Affiliates and for the twelve months after the termination of that employment for any reason, other than on any Employer's or Affiliate's behalf, solicits, induces or encourages (or attempts to solicit, induce or encourage) any individual away from any Employer's or Affiliate's employ or from the faithful discharge of such individual's contractual and fiduciary obligations to serve the Employers' and Affiliates' interests with undivided loyalty.

For purposes of this Award Agreement, "Disparagement" shall mean that the Employee has made a material statement (whether oral, written or electronic) to any Person other than to an officer of an Employer or an Affiliate that disparages or demeans the Employers, any Affiliate, or any of their respective owners, directors, officers, employees, products or services. For the avoidance of doubt, "Disparagement" does not include making truthful statements to any governmental regulatory agency or to testimony in any legal proceeding.

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## 6. Delivery of Shares.

Subject to Sections 7 and 8.3, as soon as practicable following the end of the Performance Period (but no later than the 15<sup>th</sup> day of the third month following the end of the Performance Period), the Company shall deliver or cause to be delivered to the Employee (or the Employee's beneficiary, as applicable) one or more certificates issued in the Employee's (or beneficiary's) name (or such name as is acceptable to the Company and designated in writing by the Employee (or beneficiary)) representing the shares of Common Stock that have become vested pursuant to this Award (or such delivery shall be evidenced by appropriate entry in the books of the Company or a duly authorized transfer agent of the Company). The holder of the Award shall pay all original issue or transfer taxes and all fees and expenses incident to such delivery, unless the Company in its discretion elects to make such payment. Prior to the issuance to the Employee of shares of Common Stock with respect to the vested Award, the Employee shall have no direct or secured claim in any specific assets of the Company or in such shares, and will have the status of a general unsecured creditor of the Company.

## 7. Change in Control.

(a) In General. If a Change in Control occurs prior to the last day of the Performance Period, then the Performance Measures applicable to the Award shall be deemed to have been achieved based on the greater of (i) actual achievement (as determined in accordance with Exhibit A hereto) through the date of the occurrence of the Change in Control and (ii) an achievement level resulting in a payout equal to the Target Opportunity (the portion of the Award eligible for vesting upon a Change in Control applying such achievement, and as adjusted by Section 2 and Section 8.4, to the extent applicable, the "Change in Control Shares"), and the Change in Control Shares shall vest and become nonforfeitable if the Employee remains continuously employed with the Employers and Affiliates through the last day of the Performance Period. In such case, the Change in Control Shares shall be delivered to the Employee following the Performance Period at the time set forth in Section 6 hereof. To the extent shares of Common Stock subject to the Award fail to vest under Section 7(a), (b) or (c) hereof in connection with a Change in Control, then the Award shall be forfeited as it relates to such unvested shares, and the Employee shall have no rights with respect thereto (including, without limitation, any rights relating to unvested accumulated dividend equivalents under Section 2).

(b) Award Not Assumed. Notwithstanding Section 7(a), if the Award is not effectively assumed or continued by a surviving or acquiring company in the Change in Control (including by reason of the surviving or acquiring company not being publicly traded in the United States), as determined by the Committee as constituted immediately prior to the Change in Control, then the Change in Control Shares shall vest and become nonforfeitable and be delivered to the Employee within sixty (60) days following the occurrence of the Change in Control; provided however that if the Award is considered "nonqualified deferred compensation" within the meaning of section 409A of the Code, and such accelerated payment is not permitted by section 409A of the Code, then payment with respect to the vested Change in Control Shares shall be made following the Performance Period at the time set forth in Section 6 hereof (or if earlier, the time set forth in Section 7(c)).

(c) Termination of Employment Prior to Last Day of Performance Period. Notwithstanding Section 7(a), and subject to Section 7(b), if the Employee's employment by the Employers and Affiliates is terminated following a Change in Control but prior to the last day of the Performance Period (i) due to death, Disability or Retirement, (ii) by the Company without Cause or (iii) by the Employee for Good Reason, then the Change in Control Shares shall vest and become nonforfeitable and be delivered to the Employee (or his or her beneficiary, as applicable) within sixty (60) days following the date of such termination of employment, subject to Section 9.4; provided, however, that if the Award is considered "nonqualified deferred compensation" within the meaning of section 409A of the Code and (X) the Change in Control is not a "change in control event" within the meaning of section 409A of the Code, (Y) the termination of employment occurred more than two years following the Change in Control, or (Z) the accelerated payment otherwise is not permitted by section 409A of the Code, then the Change in Control Shares shall vest and become nonforfeitable and be delivered to the Employee (or his or her beneficiary, as applicable) following the Performance Period at the time set forth in Section 6 hereof.

(d) Definition of Cause. For purposes of this Award Agreement, "Cause" shall have the meaning set forth in the employment agreement between the Employee and an Employer as in effect on the Grant Date, if any. If the Employee is not a party to such an employment agreement that contains such definition, "Cause" shall mean, with respect to the Employee (as reasonably determined in good faith by the Committee):

(1) any conviction of, or plea of *nolo contendere* to, a felony;

(2) the theft, conversion, embezzlement or misappropriation by the Employee of funds or other assets of the Employers and Affiliates or any other act of fraud or dishonesty with respect to the Employers and Affiliates;

(3) a material breach by the Employee of his or her employment duties and responsibilities (other than as a result of incapacity due to physical or mental illness) (A) which is the result of the Employee's gross negligence or (B) which is demonstrably willful and deliberate on the Employee's part and which is committed in bad faith or without reasonable belief that such breach is in the best interests of the Employers and Affiliates; or

(4) the Employee's Competition, Misappropriation, Solicitation or Disparagement (in each case, as defined in Section 5), or other material violation of a restrictive covenant made by the Employee for the benefit of the Employers and Affiliates.

(e) Definition of Good Reason. For purposes of this Award Agreement, "Good Reason" shall have the meaning set forth in the employment agreement between the Employee and an Employer as in effect on the Grant Date, if any. If the Employee is not a party to such an employment agreement that contains such definition, "Good Reason" shall mean the occurrence of any of the following events without the Employee's written consent and which is not remedied by the Employers and Affiliates within thirty (30) days after receipt of written notice from the Employee specifying such event:

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(1) a material diminution in the Employee's authority, duties or responsibilities with the Employers and Affiliates as in effect immediately prior to the Change in Control;

(2) a material diminution in the authority, duties or responsibilities of the person at the Employers and Affiliates to whom the Employee is required to report as in effect immediately prior to the Change in Control;

(3) a reduction in the Employee's rate of base salary, target annual bonus, target long-term incentive opportunity or retirement, welfare or other benefits as in effect immediately prior to the Change in Control (other than a reduction in retirement, welfare or other benefits similarly affecting all or substantially all similarly situated employees); or

(4) the relocation of the office at which the Employee was principally employed immediately prior to the Change in Control to a location more than fifty (50) miles from the location of such office (except for required travel on business substantially consistent with the Employee's business travel obligations immediately prior to the Change in Control).

"Good Reason" shall exist only if (i) the Employee provides to the applicable Employer or Affiliate the written notice specifying such event, as referenced above, within sixty (60) days following the initial existence of the event and (ii) the Employee terminates employment due to Good Reason within one hundred twenty (120) days following the initial existence of the event.

## **8. Additional Terms and Conditions of Award.**

8.1. Nontransferability of Award. Except to a beneficiary upon the Employee's death (as designated on a form prescribed by the Company or under the terms of the Plan, and which may be designated on both a primary and contingent basis), the Award may not be sold, transferred, assigned, pledged, hypothecated, encumbered or otherwise disposed of (whether by operation of law or otherwise) or be subject to execution, attachment or similar process. Upon any attempt to so sell, transfer, assign, pledge, hypothecate, encumber or otherwise dispose of the Award, the Award and all rights hereunder shall immediately become null and void.

By accepting the Award, the Employee agrees that if all beneficiaries designated on a beneficiary designation form prescribed by the Company predecease the Employee or, in the case of corporations, partnerships, trusts or other entities which are designated beneficiaries, are terminated, dissolved, become insolvent or are adjudicated bankrupt prior to the date of the Employee's death, or if the Employee fails to properly designate a beneficiary on a beneficiary designation form prescribed by the Company (including by failure to return such form to the appropriate Company representative during the Employee's lifetime), then the Employee hereby designates the following Persons in the order set forth herein as the Employee's beneficiary or beneficiaries: (i) the Employee's spouse, if living, or if none, (ii) the Employee's then living descendants, per stirpes, or if none, (iii) the Employee's estate.

8.2. Investment Representation. The Employee hereby represents and covenants that (a) any shares of Common Stock acquired upon the vesting of the Award will be acquired for investment and not with a view to the distribution thereof within the meaning of the Securities Act of 1933, as amended (the "Securities Act"), unless such acquisition has been registered under the Securities Act and any applicable state securities laws; (b) any subsequent sale of any such shares shall be made either pursuant to an effective registration statement under the Securities Act and any applicable state securities laws, or pursuant to an exemption from registration under the Securities Act and such state securities laws; and (c) if requested by the Company, the Employee shall submit a written statement, in a form satisfactory to the Company, to the effect that such representation is true and correct as of the date of vesting of any shares hereunder or is true and correct as of the date of sale of any such shares, as applicable. As a condition precedent to the issuance or delivery to the Employee of any shares subject to the Award, the Employee shall comply with all regulations and requirements of any regulatory authority having control of or supervision over the issuance or delivery of the shares and, in connection therewith, shall execute any documents which the Committee shall in its sole discretion deem necessary or advisable.

8.3. Tax Withholding. (a) The Employee timely shall pay to the Company such amount as the Company may be required, under all applicable federal, state, local or other laws or regulations, to withhold and pay over as income or other withholding taxes (the "Required Tax Payments") with respect to the Award. If the Employee shall fail to timely advance the Required Tax Payments, the Company may, in its discretion, deduct any Required Tax Payments from any amount then or thereafter payable by the Company or any Affiliate to the Employee.

(b) The Employee may elect to satisfy his or her obligation to advance the Required Tax Payments by any of the following means: (1) a cash payment to the Company, (2) delivery (either actual delivery or by attestation procedures established by the Company) to the Company of previously-owned whole shares of Common Stock, the Fair Market Value of which shall be determined as of the date the obligation to withhold or pay taxes first arises in connection with the Award (the "Tax Date"), (3) authorizing the Company to withhold whole shares of Common Stock which would otherwise be delivered to the Employee pursuant to the Award, the Fair Market Value of which shall be determined as of the Tax Date or (4) any combination of (1), (2) and (3). Shares of Common Stock to be delivered or withheld may not have an aggregate Fair Market Value in excess of the minimum amount of the Required Tax Payments. Any fraction of a share of Common Stock which would be required to pay the Required Tax Payments shall be disregarded and the remaining amount due shall be paid in cash by the Employee. The Employee agrees that if by the pay period that immediately follows the date that the Award becomes payable, no cash payment attributable to any such fractional share shall have been received by the Company, then the Employee hereby authorizes the Company or any Affiliate to deduct such cash payment from any amount payable by the Company or any Affiliate to the Employee, including without limitation any amount payable to the Employee as salary or wages.

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8.4. Adjustment. In the event of any equity restructuring (within the meaning of Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation—Stock Compensation or any successor or replacement accounting standard) that causes the per share value of shares of Common Stock to change, such as a stock dividend, stock split, spinoff, rights offering or recapitalization through an extraordinary cash dividend, the number and class of shares subject to the Award shall be appropriately adjusted by the Committee. In the event of any other change in corporate capitalization, including a merger, consolidation, reorganization, or partial or complete liquidation of the Company, such adjustment described in the foregoing sentence may be made as determined to be appropriate and equitable by the Committee to prevent dilution or enlargement of rights of the Employee. In either case, the decision of the Committee regarding any such adjustment shall be final, binding and conclusive.

8.5. Compliance with Applicable Law. The Award is subject to the condition that if the listing, registration or qualification of the shares of Common Stock subject to the Award upon any securities exchange or under any law, the consent or approval of any governmental body or the taking of any other action is necessary or desirable as a condition of, or in connection with, the delivery of shares, such shares will not be delivered unless such listing, registration, qualification, consent, approval or other action shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company agrees to use reasonable efforts to effect or obtain any such listing, registration, qualification, consent, approval or other action.

8.6. Award Confers No Rights to Continued Employment or Service. In no event shall the granting of the Award or the acceptance of this Award Agreement and the Award by the Employee give or be deemed to give the Employee any right to continued employment by or service with any Employer or any subsidiary or affiliate of an Employer.

8.7. Decisions of Committee. The Committee or its delegate shall have the right to resolve all questions which may arise in connection with the Award. Any interpretation, determination or other action made or taken by the Committee or its delegate regarding the Plan or this Award Agreement shall be final, binding and conclusive.

8.8. Company to Reserve Shares. The Company shall at all times prior to the cancellation of the Award reserve and keep available, either in its treasury or out of its authorized but unissued shares of Common Stock, the full number of shares subject to the Award from time to time (i.e., 200% of the Target Opportunity).

8.9. Award Agreement Subject to the Plan. This Award Agreement is subject to the provisions of the Plan, and shall be interpreted in accordance therewith. The Employee hereby acknowledges receipt of a copy of the Plan.

8.10. Award Subject to Clawback. The Award and any shares of Common Stock delivered pursuant to the Award are subject to forfeiture, recovery by the Company or other action pursuant to any clawback or recoupment policy which the Company may adopt from time to time, including without limitation any such policy which the Company may be required to adopt under the Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing rules and regulations thereunder, or as otherwise required by law.

## **9. Miscellaneous Provisions**

9.1. Successors. This Award Agreement shall be binding upon and inure to the benefit of any successor or successors of the Company and any Person or Persons who shall acquire any rights hereunder in accordance with this Award Agreement or the Plan.

9.2. Notices. All notices, requests or other communications provided for in this Award Agreement shall be made in writing either (a) by actual delivery to the party entitled thereto, (b) by mailing in the United States mails to the last known address of the party entitled thereto, via certified or registered mail, postage prepaid and return receipt requested, (c) by telecopy with confirmation of receipt or (d) by electronic mail, utilizing notice of undelivered electronic mail features. The notice, request or other communication shall be deemed to be received (a) in case of delivery, on the date of its actual receipt by the party entitled thereto, (b) in case of mailing by certified or registered mail, five days following the date of such mailing, (c) in case of telecopy, on the date of confirmation of receipt and (d) in case of electronic mail, on the date of mailing, but only if a notice of undelivered electronic mail is not received.

9.3. Governing Law. The Award, this Award Agreement and all determinations made and actions taken pursuant thereto, to the extent otherwise not governed by the Code or the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without regard to principles of conflicts of laws.

9.4. Compliance with Section 409A of the Code. It is intended that this Award Agreement and the Plan be exempt from the requirements of section 409A of the Code to the maximum extent permissible under law. To the extent section 409A of the Code applies to this Award Agreement and the Plan, it is intended that this Award Agreement and the Plan comply with the requirements of section 409A of the Code to the maximum extent permissible under law. This Award Agreement and the Plan shall be administered and interpreted in a manner consistent with this intent. To the extent that the Award constitutes "nonqualified deferred compensation" within the meaning of section 409A of the Code, (i) for purposes of any provision of this Award Agreement providing for the payment of any amounts upon or following termination of employment (and for any other purpose required under section 409A of the Code), the Employee's termination of employment shall be defined as the Employee's Separation from Service, and (ii) if shares of Common Stock are to be delivered to the Employee under this Award Agreement due to the Employee's Separation from Service, and if the Employee is a Specified Employee at the time of such separation, such shares shall be delivered to the Employee during the seventh calendar month following the calendar month during which the Employee separated from service (or if earlier, during the calendar month following the calendar month of the Employee's death), notwithstanding any other provision in this Award Agreement. No particular tax result for the Employee with respect to any income recognized by the Employee in connection with this Award Agreement is guaranteed, and the Employee solely shall be responsible for any taxes, penalties, interest or other losses or expenses incurred by the Employee in connection with this Award Agreement.

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9.5. Partial Invalidity. The invalidity or unenforceability of any particular provision of this Award Agreement shall not affect the other provisions hereof and this Award Agreement shall be construed in all respects as if such invalid or unenforceable provision was omitted.

9.6. Amendment and Waiver. The Company may amend or waive the provisions of this Award Agreement at any time; provided, however, that in the event of any such amendment or waiver that would materially impair the rights of the Employee, such amendment or waiver shall be effective only with the written agreement of the Employee. No course of conduct or failure or delay in enforcing the provisions of this Award Agreement shall affect the validity, binding effect or enforceability of this Award Agreement.

9.7. Counterparts. This Award Agreement may be executed in counterparts each of which shall be deemed an original and both of which together shall constitute one and the same instrument.

TELEPHONE AND DATA SYSTEMS, INC.

By:

\_\_\_\_\_  
Name:

Title:

Accepted this \_\_\_\_\_ day of  
\_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Employee

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The following applies to TDS Corporate and OneNeck employees covered under the Company's 2020 Long-Term Incentive Plan. Note that all performance measures are based on TDS Consolidated performance results.

ELEMENT	PROVISION
<b>Performance Period</b>	January 1, 2021 to December 31, 2023
<b>Performance Measures and Weightings</b>	<ul style="list-style-type: none"> <li>• Return on Capital ("ROC") (40%)</li> <li>• Total Revenue (40%)</li> <li>• Relative Total Shareholder Return ("TSR") (20%)</li> </ul>
<b>Performance Measure Definitions</b>	<p><b>ROC</b></p> <ul style="list-style-type: none"> <li>• Average of the three fiscal years in the Performance Period.</li> <li>• Based on "Adjusted Net Operating Profit After Tax/Average Capital," as currently defined by the Company               <ul style="list-style-type: none"> <li>• Adjusted Net Operating Profit After Tax is defined as (Operating income plus Investment income plus Non-operating gains/losses plus Dividend income plus Interest income plus Other income (expense) plus effective interest expense on operating lease payments) multiplied by (1 – Effective Tax Rate).</li> <li>• Average Capital is defined as total Debt (current &amp; long-term) plus total Equity plus Right of Use Lease Liabilities (current &amp; long-term)</li> </ul> </li> </ul>
	<p><b>Total Revenue</b></p> <ul style="list-style-type: none"> <li>• Cumulative over the three fiscal years in the Performance Period.</li> <li>• Consolidated Operating Revenue is based on the externally reported metric.</li> </ul>
	<p><b>Relative TSR</b></p> <ul style="list-style-type: none"> <li>• Determined for the Company, as well as the Peer Group (as defined below), from the beginning to the end of the Performance Period.</li> <li>• Calculations subject to the following rules:               <ul style="list-style-type: none"> <li>• Beginning stock price is the thirty (30) trading-day average closing stock price preceding January 1 of the first year of the Performance Period.</li> <li>• Ending stock price is the thirty (30) trading-day average closing stock price preceding January 1 of the year following the end of the Performance Period, or the thirty (30) trading-day average closing stock price preceding the date of a Change in Control, if applicable.</li> <li>• Dividends, if any, are deemed to be reinvested in additional shares of the subject company, based on the then-current closing stock price.</li> <li>• TSR is expressed as an annualized percentage.</li> <li>• Members of the Peer Group acquired (i.e., a transaction where the member is not the surviving entity), taken private or no longer publicly traded in the U.S. during the Performance Period will be deleted from the Peer Group and not included in the TSR calculation at any time during the three-year Performance Period.</li> <li>• Members of the Peer Group that go bankrupt, are liquidated or dissolved, or otherwise cease conducting operations during the Performance Period will be deemed to have a TSR equal to -100% for the entire three-year Performance Period.</li> <li>• The Company is not included in the Peer Group for purposes of determining the Company's percentile ranking versus the Peer Group.</li> <li>• The Company's percentile ranking will be rounded to the nearest one-tenth of a percentage point.</li> </ul> </li> </ul>
<b>Peer Group</b>	<p>The Peer Group consists of the following companies (or their publicly-traded successors by merger or other transaction in which the below company or one of its subsidiaries prior to the transaction is the surviving and continuing corporation):</p> <p>Altice USA, Inc.            American Tower Corp.            AT&amp;T, Inc.            Cable One, Inc.            Charter Communications, Inc.            Comcast Corp.            Consolidated Communications Holdings, Inc.            Crown Castle International Corp.            DISH Network Corp.            Equinix, Inc.            IDT Corp.            Lumen Technologies, Inc.            SBA Communications Corp.            Shenandoah Telecommunications Co.            T-Mobile U.S., Inc.            Verizon Communications, Inc.            ViaSat Inc.            Vonage Holdings Corp.</p>



The following applies to TDS Telecom employees covered under the Company’s 2020 Long-Term Incentive Plan. Note that all performance measures are based on TDS Telecom performance results.

ELEMENT		PROVISION
<b>Performance Period</b>		January 1, 2021 to December 31, 2023
<b>Performance Measures and Weightings</b>		<ul style="list-style-type: none"> <li>Total Revenue (40%)</li> <li>Adjusted Earnings Before Interest, Tax, Depreciation, Amortization and Accretion (“EBITDA”) (40%)</li> <li>Return on Capital (“ROC”) (20%)</li> </ul>
<b>Performance Measure Definitions</b>	<b>Total Revenue</b>	<ul style="list-style-type: none"> <li>Cumulative over the three fiscal years in the Performance Period.</li> <li>Operating Revenue is based on the externally reported metric.</li> </ul>
	<b>Adjusted EBITDA</b>	<ul style="list-style-type: none"> <li>Average of the three fiscal years in the Performance Period.</li> <li>Based on “Adjusted EBITDA/Operating Revenue,” as currently defined by the Company                             <ul style="list-style-type: none"> <li>Adjusted EBITDA is defined as net income before: interest, taxes, depreciation, amortization and accretion, loss on impairment of goodwill, net gain or loss on asset disposals, net gain or loss on sale of business and other exit costs, net gain or loss on license sales and exchanges, net gain or loss on sale of investments.</li> </ul> </li> </ul>
	<b>ROC</b>	<ul style="list-style-type: none"> <li>Average of the three fiscal years in the Performance Period.</li> <li>Based on “Adjusted Net Operating Profit After Tax/Average Capital,” as currently defined by the Company                             <ul style="list-style-type: none"> <li>Adjusted Net Operating Profit After Tax is defined as (Operating income plus Investment income plus Non-operating gains/losses plus Dividend income plus Interest income plus Other income (expense) plus effective interest expense on operating lease payments) multiplied by (1 – Effective Tax Rate).</li> <li>Average Capital is defined as total Debt (current &amp; long-term) plus total Equity plus Right of Use Lease Liabilities (current &amp; long-term).</li> </ul> </li> </ul>



## CONSULTING AGREEMENT

This Consulting Agreement ("**Agreement**") is effective as of June 7, 2021, by and between Telephone and Data Systems, Inc. (the "**Company**") and Scott H. Williamson ("**Executive**").

**WHEREAS**, the Company employs Executive as its Senior Vice President – Acquisitions and Corporate Development;

**WHEREAS**, Executive has informed the Company that he will retire as an employee of the Company effective June 4, 2021 ("**Retirement Date**");

**WHEREAS**, in his capacity as Senior Vice President – Acquisitions and Corporate Development, Executive acquired extensive knowledge and experience in the Company's business and the Company desires from time to time to obtain the benefit of Executive's knowledge and experience in the Company's business as a consultant after his Retirement Date;

**WHEREAS**, Executive is willing to provide consulting services to the Company after his Retirement Date; and

**WHEREAS**, in recognition thereof, the Company and Executive desire to enter into this Agreement.

**NOW, THEREFORE**, in consideration for the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which each party expressly acknowledges, the Company and Executive agree as follows:

1. **Consultant Retention.** The Company retains Executive as a consultant and Executive accepts such retention upon the terms and conditions set forth in this Agreement.
  2. **Consulting Term.** The term of Executive's retention as a consultant shall begin on the Retirement Date and end on the third annual anniversary of the Retirement Date, unless terminated earlier by either party pursuant to the provisions of Paragraph 6 below ("**Term**").
  3. **Consulting Services.** From time to time at the reasonable request of the Company's President and Chief Executive Officer, Executive shall render consultation, advice, and information concerning mergers and acquisitions, spectrum auctions, and other business and operations of the Company and its affiliates. Executive shall honor such reasonable requests for his services and shall devote reasonable time and his best efforts, skill, and attention to the diligent performance of his consulting duties as requested by the Company. In rendering any such services, Executive shall be free to arrange his own time, pursuits, and consulting schedule and to determine the specific manner in which his services will be performed, but he will use his reasonable best efforts to accommodate the scheduling requirements and the work of the Company. Executive shall not, however, be required to cancel or reschedule previously scheduled travel or meetings.
  4. **Independent Contractor.** Executive shall perform the duties described in Paragraph 3 above as an independent contractor without the power to bind, represent, or speak for the Company for any purpose whatsoever. Executive acknowledges his separate responsibility for all federal and state withholding income taxes, Federal Insurance Contributions Act taxes, workers' compensation and unemployment compensation taxes and similar taxes, if applicable, and agrees to indemnify and hold the Company harmless from any claim against it or liability relating to such taxes.
  5. **Consulting Fee.** During each month of the Term, the Company shall pay Executive a consulting fee in the amount of \$10,000. The Company also shall reimburse Executive for reasonable expenses that he incurs in performing his consulting services (including pursuant to Paragraph 11 hereof) provided that such expenses are pre-approved by the Company and Executive presents the Company with sufficient documentation supporting such expenses (which shall be submitted by Executive as soon as practicable). The Company will pay any such expenses within 30 calendar days of its receipt of Executive's written expense reimbursement request and sufficient supporting documentation. The Company shall have no obligation to pay Executive, and Executive shall not receive, any fee or benefit related to his consulting services other than that described in this Paragraph 5.
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6. Termination. Notwithstanding any other provision of this Agreement, either the Company or Executive may immediately terminate Executive's retention by the Company as a consultant for any reason upon written notice to the other party. In the event of a termination of Executive's retention by Executive, the Company shall have no obligation to pay him any future consulting fee or benefit other than the pro rata consulting fee due and pre-approved expenses incurred for consulting services performed by him up to and including the date of termination. In the event of a termination of Executive's retention by the Company other than due to Executive's material breach of the terms of this Agreement, the Company shall pay Executive, within sixty (60) days following such termination, a lump sum amount equal to the consulting payments that would have been payable to Executive through the Term had the Company not terminated his retention. No amount shall be payable to Executive under this Agreement in the event of and following any termination of Executive's retention by the Company due to Executive's material breach of the terms of this Agreement. Immediately upon termination of his retention, Executive shall return to the Company all of its and its affiliates' property in his possession or under his control including, but not limited to, all of the Company's confidential and proprietary information, documents, other information and equipment, and all copies thereof.

7. General Release. In further consideration for payments of the Consulting Fee set forth in Paragraph 5 above, Executive agrees to sign and return the General Release attached as an Appendix to this Agreement (and incorporated herein), no earlier than the Retirement Date, and no later than June 25, 2021, and not to revoke such General Release.

8. Nondisclosure and Use of Confidential and Proprietary Information. Executive represents and warrants that he is not in violation of his confidentiality and nondisclosure obligations (i.e., Confidentiality of Customer Communications; Safeguarding of Company Information; and Safeguarding of Confidential Personal Information) set forth in the Company's Code of Business Conduct ("Code of Conduct") and agrees to continue to comply with those provisions during the Term and thereafter.

9. Noncompetition. During Executive's retention hereunder and for a period of one year after the end of the Term, Executive shall not, directly or indirectly, other than on the Company's behalf, anywhere in the United States, engage in any activity that would be deemed to be Competition with Corporation as set forth in Section 1.15(a)(ii) of the Restated Bylaws, as amended, of Telephone and Data Systems, Inc. (for this purpose, determined as if Executive was a director) ("Bylaws").

10. Nondisparagement. At no time shall Executive disparage the Company, its affiliates, their services or products, or their owners, directors, officers, or employees.

11. Cooperation. Executive agrees to cooperate with the Company regarding any pending or subsequently filed litigation, proceeding, claim or other disputed item involving the Company or its affiliates that relates to the matters within Executive's knowledge or responsibility during Executive's employment or during the Term. Without limiting the foregoing, Executive agrees (i) to meet with the Company's representatives, its counsel or other designees at mutually convenient times and places with respect to any items within the scope of this Paragraph; (ii) to provide truthful testimony to any court, agency or other adjudicatory body, including without limitation, any testimony provided at a deposition or through an affidavit or declaration, which testimony shall be given without regard to its impact on the outcome of the proceeding and which testimony shall not be contingent upon or influenced by the consulting fees under this Agreement; and (iii) to notify the Company within three (3) business days if Executive is contacted by any adverse party or by any representative of an adverse party.

12. Injunctive Relief. Executive acknowledges and agrees that the covenants contained in Paragraphs 8-11 above are reasonable in scope and duration, do not unduly restrict Executive's ability to engage in his livelihood, and are necessary to protect the Company's legitimate business interests. Without limiting the rights of the Company to pursue any other legal and/or equitable remedies available to it for any breach by Executive of the covenants contained in Paragraphs 8-11 above, Executive acknowledges that a breach of those covenants would cause a loss to the Company for which it could not reasonably or adequately be compensated by damages in an action at law, that remedies other than injunctive relief could not fully compensate the Company for a breach of those covenants and that, accordingly, the Company shall be entitled to injunctive relief to prevent any breach or continuing breaches of Executive's covenants as set forth in Paragraphs 8 -11 above without the need to post a bond. It is the intention of the parties that if, in any action before any court empowered to enforce such covenants, any term, restriction, covenant, or promise is found to be unenforceable, then such term, restriction, covenant, or promise shall be deemed modified to the extent necessary to make it enforceable by such court.

13. Assignment. Executive acknowledges that the services to be rendered by him hereunder are unique and personal. Accordingly, Executive may not assign any of his rights or delegate any of his duties or obligations under this Agreement. The Company may, upon written notice to Executive, assign this Agreement to a purchaser or transferee of substantially all of the assets of the Company.

14. Mandatory Mediation and Waiver of Jury Trial. The Company and Executive agree that all disputes and claims of any nature that one party may have against the other party will be submitted exclusively first to mandatory mediation in Chicago, Illinois, or at another mutually agreed upon location, to JAMS dispute resolution services, or to such other individual or organization as the parties mutually may agree. All information regarding the dispute or claim or mediation proceedings, including any mediation settlement, shall not be disclosed by Executive, the Company, or any mediator to any third party without the written consent of the Company's President and Chief Executive Officer and Executive. In the event that mediation does not resolve any dispute that the Company or Executive has with the other party and the Company or Executive proceeds to file a complaint in court, **THE COMPANY AND EXECUTIVE HEREBY WAIVE ANY RIGHT TO A JURY TRIAL OF THAT DISPUTE.**

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15. Indemnification. Company agrees to indemnify, defend and hold harmless Executive from and against any and all losses, claims, damages and expenses (including without limitation, legal fees and other expenses incurred in connection with any suit, action or proceeding) incurred by Company or Executive and relating to or arising from any consulting services provided by Executive pursuant to this Agreement; provided however, Company shall have no liability to Executive hereunder to the extent that any loss, damage or expense is finally determined by a court of competent jurisdiction or arbitration panel to have resulted from Executive's gross negligence or willful misconduct.

16. Waiver. The Company's or Executive's waiver of any breach by the other party of any provision of this Agreement or failure to enforce any such provision shall not operate or be construed as a waiver of any subsequent breach by Executive or the Company of any such provision or of any other provision, or of such party's right to enforce any such provision or any other provision in the future. No act or omission of the Company or Executive shall constitute a waiver of any of its/his rights hereunder except for a written waiver signed by the Company's President and Chief Executive Officer or Executive, as applicable.

17. Severability. If a court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable as written, the parties consent to and request that the court modify such provision to the minimum extent necessary to make it valid and legally enforceable. If such modification is not permitted or not possible, or if the proposed modification would not retain the intent of the parties, the parties agree that the provision shall be severed from the Agreement, and that the validity and enforceability of the remaining provisions of the Agreement shall not in any way be affected or impaired thereby.

18. Amendment. The terms of this Agreement may be modified only by a writing signed by both Executive and the Company's President and Chief Executive Officer.

19. Post-Retention Effectiveness. The Executive expressly acknowledges that Paragraphs 8 – 22 of this Agreement, as well as the terms of the General Release, remain in effect after the Term ends. TDS will pay you \$450 per hour and reasonable expenses for any services contemplated in Section 11 which you provide after the Term ends.

20. Governing Law. This Agreement shall in all respects be construed in accordance with and governed by the laws of the State of Illinois (without reference to principles of conflicts of law).

21. Entire Agreement. This Agreement, the Code of Conduct, and Section 1.15(a)(ii) of the Bylaws embody the entire agreement and understanding of the parties hereto with regard to the parties' consulting relationship, and supersede any and all prior and/or contemporaneous agreements and understandings, oral or written, between the parties with respect to the consulting relationship.

22. Section 409A of the Internal Revenue Code. Amounts payable under this Agreement are intended to be exempt from (or alternatively, to comply with) the requirements of Section 409A of the Internal Revenue Code, and shall be interpreted consistent with that intent.

23. Counterparts. This Agreement may be executed in counterparts, each of which taken together shall constitute one and the same instrument. Facsimile or electronic transmission of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart, and such signatures shall be deemed original signatures for purposes of enforcement and construction of this Agreement.

**EXECUTIVE**

/s/ Scott H. Williamson

\_\_\_\_\_  
Scott H. Williamson

Dated: June 7, 2021

**TELEPHONE AND DATA SYSTEMS, INC.**

/s/ LeRoy T. Carlson, Jr.

\_\_\_\_\_  
President and Chief Executive Officer

Dated: June 7, 2021

**APPENDIX  
GENERAL RELEASE**

In consideration for the payments set forth in Paragraph 5 of my Consulting Agreement with Telephone and Data Systems, Inc. (the "**Company**"), and for other good and valuable consideration, the receipt and sufficiency of which I expressly acknowledge, I agree as follows:

1. I, and anyone claiming through me, agree to release and discharge the Company and any and all parents, divisions, subsidiaries, partnerships, affiliates and/or other related entities (whether or not such entities are wholly owned), and each of those entities' past, present, and future owners, trustees, fiduciaries, shareholders, directors, officers, administrators, agents, partners, employees, attorneys, and the predecessors, successors, and assigns of each of them (collectively, the "**Released Parties**"), from any and all claims, whether known or unknown, asserted or unasserted, foreseen or unforeseen, which I have, have ever had, or may ever have against any of the Released Parties arising from or related to any act, omission, or thing occurring at any time prior to the date that I sign this General Release including, but not limited to, any and all claims that in any way result from, or relate to, my employment or cessation of employment with any of the Released Parties. The released claims further include, but are not limited to, any and all claims that I or anyone acting on my behalf could assert or could have asserted in any federal, state, or local court, commission, department, or agency under any common law theory, or under any employment, contract, tort, federal, state, or local law, regulation, ordinance, or executive order including under the following laws as amended from time to time: the Age Discrimination in Employment Act, the Older Workers' Benefit Protection Act, the Civil Rights Act of 1866, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Americans With Disabilities Act, the Employee Retirement Income Security Act, the Family and Medical Leave Act, the Fair Labor Standards Act, the Illinois Human Rights Act, and the Cook County and Chicago Human Rights Ordinances. I represent and warrant that I have not filed or initiated any legal proceeding against any of the Released Parties and that no such legal proceeding has been filed or initiated on my behalf. Notwithstanding the above, this General Release does not apply to any right that I have to indemnification, under the Restated Bylaws, as amended, of Telephone and Data Systems, Inc. or otherwise, for any act or omission that occurred while I was an officer of Telephone and Data Systems, Inc. or any affiliate thereof, or to any other claim that cannot be waived under applicable law.
  2. I acknowledge that I have been informed of my right to consult with a lawyer of my choice and that I have had sufficient time to consult with a lawyer before signing this General Release. I also acknowledge that I am entitled to a period of at least 21 days within which to consider the terms of this General Release before signing it.
  3. I understand that within seven days following the date that I sign this General Release, I shall have the right to revoke this General Release by serving within such seven-day period written notice of my revocation upon the Company's General Counsel. I further understand that if I do not revoke my signature on this General Release during that seven-day period, this General Release shall become effective on the eighth day after the date that I sign it and I shall have no further right to revoke this General Release.
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**I REPRESENT AND WARRANT THAT I HAVE READ THIS GENERAL RELEASE, I UNDERSTAND ITS TERMS, I HAVE REVIEWED THIS GENERAL RELEASE WITH INDIVIDUALS OF MY OWN CHOOSING AND I HAVE EXECUTED THIS GENERAL RELEASE VOLUNTARILY AND INTEND TO BE LEGALLY BOUND THEREBY.**

**EXECUTIVE**

/s/ Scott H. Williamson

Scott H. Williamson

Dated: June 7, 2021

**Certification of principal executive officer**

I, LeRoy T. Carlson, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Telephone and Data Systems, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2021

/s/ LeRoy T. Carlson, Jr.

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LeRoy T. Carlson, Jr.  
President and Chief Executive Officer  
(principal executive officer)

**Certification of principal financial officer**

I, Peter L. Sereda, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Telephone and Data Systems, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2021

/s/ Peter L. Sereda

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Peter L. Sereda  
Executive Vice President and Chief Financial Officer  
(principal financial officer)



**Certification Pursuant to Section 1350 of Chapter 63  
of Title 18 of the United States Code**

I, LeRoy T. Carlson, Jr., the principal executive officer of Telephone and Data Systems, Inc., certify that (i) the quarterly report on Form 10-Q for the second quarter of 2021 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Telephone and Data Systems, Inc.

/s/ LeRoy T. Carlson, Jr.

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LeRoy T. Carlson, Jr.

August 6, 2021

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to Telephone and Data Systems, Inc. and will be retained by Telephone and Data Systems, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**Certification Pursuant to Section 1350 of Chapter 63  
of Title 18 of the United States Code**

I, Peter L. Sereda, the principal financial officer of Telephone and Data Systems, Inc., certify that (i) the quarterly report on Form 10-Q for the second quarter of 2021 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Telephone and Data Systems, Inc.

/s/ Peter L. Sereda

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Peter L. Sereda

August 6, 2021

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to Telephone and Data Systems, Inc. and will be retained by Telephone and Data Systems, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.