
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): June 3, 2015 (May 29, 2015)

Communications Sales & Leasing, Inc.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

001-36708
(Commission
File Number)

46-5230630
(IRS Employer
Identification No.)

**10802 Executive Center Drive
Benton Building Suite 300
Little Rock, Arkansas**
(Address of principal executive offices)

72211
(Zip Code)

Registrant's telephone number, including area code: (501) 850-0820

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

Board Appointments

On May 29, 2015, the Board of Directors (the “Board”) of Communications Sales & Leasing, Inc. (the “Company”) approved an increase in the size of the Board from two to four members and the appointments of Jennifer Banner and David Solomon to fill the newly created vacancies. The Board also approved the appointment of both Ms. Banner and Mr. Solomon to serve on the Compensation, Audit and Governance Committees of the Board and the appointment of Ms. Banner to serve as chair of the Audit Committee and Mr. Solomon to serve as chair of the Compensation Committee. Francis X. Frantz will remain the chair of the Board and the Governance Committee. The increase in the size of the Board and each of the appointments of Ms. Banner and Mr. Solomon described above are effective June 1, 2015.

Ms. Banner and Mr. Solomon will be compensated for their board service in accordance with the Company’s non-employee director compensation program adopted by the Board on May 29, 2015. The Company’s non-employee director compensation program consists of (i) an annual cash retainer of \$75,000; (ii) a one-time restricted stock grant of \$100,000 that vests ratably in equal installments over four years; (iii) an annual restricted stock grant of \$100,000 subject to one-year vesting; (iv) an additional annual cash retainer of \$75,000 for the chair of the Board; (v) annual restricted stock grants of \$20,000, \$15,000 and \$10,000 for the chairs of the Board’s Audit, Compensation and Governance Committees, respectively, each subject to one-year vesting; and (vi) annual restricted stock grants of \$10,000, \$7,500 and \$5,000 for non-chair members of the Board’s Audit, Compensation and Governance Committees, respectively, each subject to one-year vesting. Ms. Banner and Mr. Solomon will also enter into the Company’s form of indemnification agreement for directors and executive officers.

There are no arrangements or understandings between Ms. Banner and Mr. Solomon and any other person pursuant to which they were selected to serve on the Board, nor are either of the new directors party to any related party transactions required to be reported pursuant to Item 404(a) of Regulation S-K.

Approval of Short-Term Incentive Plan

On May 29, 2015, the Compensation Committee of the Board (the “Committee”) approved the Communications Sales & Leasing, Inc. 2015 Short-Term Incentive Plan (the “Plan”), which will be administered by the Committee. The Plan permits the Committee to award and pay performance-based cash bonuses to the Company’s President and Chief Executive Officer, Senior Vice President – Chief Financial Officer and Treasurer, and Senior Vice President – General Counsel and Secretary (the “Eligible Executives”), upon the attainment of certain criteria set forth in the Plan. The Plan is designed to reward and motivate the Company’s executive officers to achieve certain performance goals during 2015, to assist the Company in attracting and retaining qualified executives and to promote the alignment of the executive officers’ interests with those of the Company’s stockholders.

In connection with adopting the Plan, the Committee approved awards to each of the Eligible Executives for 2015. The Committee approved the following threshold (i.e., minimum), target and maximum payout opportunities, expressed as a percentage of base salary, that the Eligible Executives are eligible to receive under the Plan:

Name	2015 Short-Term Incentive Plan Payout Opportunities (as a percentage of base salary)		
	Threshold	Target	Maximum
Kenneth A. Gunderman President and Chief Executive Officer	75%	150%	225%
Mark A. Wallace Senior Vice President – Chief Financial Officer and Treasurer	50%	100%	150%
Daniel L. Heard Senior Vice President – General Counsel and Secretary	50%	100%	150%

The level of the award that each of the Eligible Executives is eligible to receive will depend upon the Company's achievement of (i) a threshold level of normalized Adjusted Funds from Operations ("AFFO") for the period from April 27, 2015 to December 31, 2015 (the "Performance Period") and (ii) certain performance-related corporate goals identified in the Plan. No payout will be made if the Company's normalized AFFO is less than \$250 million for the Performance Period, and the target and maximum payouts will be made, if at all, based upon the Committee's qualitative assessment of the level of achievement of the performance-related corporate goals identified in the Plan.

The foregoing description of the Plan is only a summary, does not purport to be complete and is qualified in its entirety by the complete text of the Plan itself, a copy of which is attached as Exhibit 10.1 to this Current Report.

Approval of Severance Agreement with Mark A. Wallace

On May 29, 2015, the Committee approved a severance agreement (the "Severance Agreement") between the Company and Mark A. Wallace, Senior Vice President – Chief Financial Officer and Treasurer of the Company (the "Executive").

The Severance Agreement is effective as of June 1, 2015, and its term continues until the earliest of (i), prior to a change in control, the date of termination determined in accordance with the Severance Agreement or June 1, 2018, or (ii), after a change in control, the Company's performance of its obligations under the Severance Agreement if a payment trigger has occurred or the expiration of the period for a payment trigger to occur if such expiration occurs after June 1, 2018.

The Severance Agreement provides that should the Executive's employment be terminated: (i) whether due to the Executive's death or disability, by the Company for cause, or by the Executive with or without good reason, and such termination does not occur at the same time or within two years following a change in control of the Company, the Company must pay to the Executive his base salary and any accrued vacation pay through the date of termination in

a lump sum within thirty days, to the extent not already paid; or (ii) by the Company without cause and such termination does not occur at the same time or within two years following a change in control of the Company, the Company must pay, in lieu of any other post-termination benefits, (x) the Executive's annual base salary and any accrued vacation pay through the date of termination in a lump sum within thirty days, to the extent not already paid, and (y) an amount no less than the Executive's annual base salary in effect on the date of termination in equal installments over a period of one year.

Additionally, should the Executive's employment be terminated due to the Executive's death or disability, by the Company for cause, or by the Executive without good reason and such termination occurs at the same time as or within two years following a change in control of the Company, the Company must pay to the Executive his base salary and any accrued vacation pay through the date of termination in a lump sum within thirty days, to the extent not already paid.

Finally, should the Executive's employment be terminated by the Company without cause or by the Executive with good reason and such termination occurs at the same time as or within two years following a change in control of the Company, the Company must provide the following:

- the Executive's base salary and any accrued vacation pay through the date of termination;
- any incentive compensation that has been awarded to the Executive for the completed fiscal year or other completed measuring period prior to the date of termination but not yet paid to the Executive;
- an amount equal to the annual incentive target in effect prior to the payment trigger pro-rated through the date of termination, reduced by any amount paid or payable for the fiscal year during which the date of termination occurs;
- an amount equal to two times the sum of: (x) the higher of (1) the Executive's annual base salary immediately prior to the change in control and (2) the Executive's annual base salary in effect immediately prior to the payment trigger and (y) the higher of the (1) Executive's annual incentive target in effect immediately prior to the change in control and (2) the Executive's annual incentive target in effect immediately prior to the payment trigger;
- the Executive's health and dental insurance benefits for twenty-four months; and
- certain outplacement services.

The Company will pay or provide the foregoing in the manner set forth in the Severance Agreement.

In the event that certain payments or benefits under the Severance Agreement would be subject to an excise tax under Section 4999 of the Internal Revenue Code, as amended, then such payments or benefits may be reduced in the manner set forth in the Severance Agreement.

The Company is only obligated to pay or provide, or continue to pay and provide, benefits for termination by the Company not for cause prior to a change in control or certain benefits in the event of a payment trigger to the extent that the Executive executes a waiver and

release in the form set forth in the Severance Agreement and otherwise remains in compliance with certain covenants set forth therein. The Severance Agreement includes one year post-termination non-disclosure, non-compete and non-interference covenants.

The foregoing description of the Severance Agreement is only a summary, does not purport to be complete and is qualified in its entirety by the complete text of the Severance Agreement itself, a copy of which is attached as Exhibit 10.2 to this Current Report.

Approval of Forms of Equity Grant Agreements

On May 29, 2015, the Committee approved forms of grant agreements pursuant to which awards of restricted stock and performance-based restricted stock units may be granted to employees and directors of the Company and its subsidiaries under the Communications Sales & Leasing, Inc. 2015 Equity Incentive Plan. The Committee approved a form of Restricted Shares Agreement for employees, a form of Performance-Based Restricted Stock Unit Agreement, and a form of Restricted Shares Agreement for non-employee directors, which are attached as Exhibits 10.3, 10.4 and 10.5 to this Current Report. The Company previously filed a copy of the Company's 2015 Equity Incentive Plan as Exhibit 10.12 to Amendment No. 3 to the Company's Registration Statement on Form 10 filed with the Securities and Exchange Commission on March 12, 2015 (Commission File No. 001-36708).

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
10.1	Communications Sales & Leasing, Inc. 2015 Short-Term Incentive Plan
10.2	Severance Agreement, dated as of June 1, 2015, by and between Communications Sales & Leasing, Inc. and Mark A. Wallace
10.3	Form of Restricted Shares Agreement for employees
10.4	Form of Performance-Based Restricted Stock Unit Agreement
10.5	Form of Restricted Shares Agreement for non-employee directors

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 hereunto duly authorized.

Date: June 3, 2015

COMMUNICATIONS SALES & LEASING, INC.

By: /s/ Mark A. Wallace
Name: Mark A. Wallace
Title: Senior Vice President – Chief Financial Officer and Treasurer

EXHIBIT INDEX

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COMMUNICATIONS SALES & LEASING, INC.
2015 SHORT TERM INCENTIVE PLAN

As of May 29, 2015 (the "Effective Date"), Communications Sales & Leasing, a Maryland corporation (the "Corporation"), hereby adopts this 2015 Short Term Incentive Plan (this "Plan").

WHEREAS, the Board of Directors of the Corporation deems it in the best interest of the Corporation that the Corporation reward certain executives of the Corporation with a short-term incentive program (annual cash bonuses) in order to assist the Corporation in attracting and retaining executives of outstanding ability and to promote the alignment of their interests with those of the stockholders of the Corporation; and

WHEREAS, the Board of Directors approved on the Effective Date the terms of this Plan, including Attachment A hereto which is incorporated by reference in its entirety.

NOW, THEREFORE, BE IT RESOLVED:

Section 1. Definitions. The following words and phrases shall have the following meanings unless a different meaning is plainly required by the context:

- (a) "*Award*" means any Short-Term Incentive Bonus granted under this Plan.
- (b) "*Award Agreement*" means any written agreement, contract or other instrument or document evidencing an Award.
- (c) "*Board*" means the Board of Directors of the Corporation.
- (d) "*Code*" means the Internal Revenue Code of 1986, as amended.
- (e) "*Committee*" means the Compensation Committee of the Board.
- (f) "*Corporation*" means Communications Sales & Leasing, Inc., a Maryland corporation, and any direct or indirect Subsidiary thereof.
- (g) "*Eligible Executive*" means an executive officer of the Corporation holding the positions set forth in Section 3 of this Plan.
- (h) "*Employee*" means an individual who is an employee of the Corporation or its Subsidiaries who is reported on the payroll records as a common-law employee.
- (i) "*Plan*" means this 2015 Short Term Incentive Plan of the Corporation.
- (j) "*Short-Term Incentive Bonus*" means the incentive compensation granted to an Eligible Executive pursuant to Section 6 of this Plan.
- (k) "*Subsidiary*" means a legal entity at least 50% of the total combined voting power of all classes of equity interests which is owned by the Corporation, either directly or through one or more other Subsidiaries.

Section 2. Administration. This Plan will be administered by the Committee. In addition to any other powers granted to the Committee, the Committee will have the following powers:

- (a) to determine whether and to what extent Short-Term Incentive Bonuses are to be granted under this Plan to Eligible Executives;
- (b) to determine whether the performance metrics required to receive Short-Term Incentive Bonuses have been satisfied and to what extent they have been satisfied;
- (c) to construe and interpret this Plan;
- (d) to require, at the time Short-Term Incentive Bonuses are to be paid or issued, the making of any representations or agreements that the Committee may deem necessary or advisable in order for the Corporation to comply with the securities laws of the United States of America or of any state or any rule or regulation thereunder;
- (e) to provide for satisfaction of an Eligible Executive's tax liabilities arising in connection with this Plan; and
- (f) to make all other determinations and take all other actions necessary or advisable for the administration of this Plan.

Any determinations or actions made or taken by the Committee pursuant to this Section 2 will be binding and final.

Section 3. Eligibility. The individuals holding the following executive officer positions of the Corporation on the Effective Date shall be eligible to receive Short-Term Incentive Bonuses under this Plan:

- (a) President and Chief Executive Officer;
- (b) Senior Vice President and Chief Financial Officer; and
- (c) Senior Vice President and General Counsel.

Section 4. Short-Term Incentive Bonuses.

(a) **Generally.** Short-Term Incentive Bonuses shall be awarded to the Eligible Executives as set forth in this Section 4 and Attachment A to this Plan. Short-Term Incentive Bonuses may also be payable in cash upon the attainment of certain criteria as the Committee shall determine, in its sole discretion.

(b) **Grants.** Each Eligible Executive who is granted Short-Term Incentive Bonuses under this Plan shall enter into an Award Agreement with the Corporation, containing such terms and conditions as the Committee shall determine, in its sole discretion, which Award Agreement shall set forth, among other things, the amount or formula to determine the amount of the Award, the time of payment, and the vesting criteria for the Award. Once Short-Term Incentive Bonus Awards are agreed upon by the Committee, they shall be attached hereto as an exhibit and become part of this Plan.

Section 5. Termination or Amendment. The Board or Committee may amend or terminate this Plan in any respect at any time. Board approval must be accompanied by (a) stockholder approval in those cases in which amendment requires stockholder approval under applicable law or regulations or the requirements of the principal exchange or interdealer quotation system on which the shares of common stock of the Corporation are listed or quoted, and (b) affected Eligible Executive approval if the amendment or termination would adversely affect the holder's rights under any outstanding grants or Awards. The Short-Term Incentive Bonus provisions may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Committee or the Board. To the extent required by Section 162(m) of the Code with respect to Awards that the Committee determines should qualify as performance-based compensation as described in Section 162(m)(4)(C), no action may modify the performance criteria or bonus potentials after the commencement of the measurement period with respect to which such Awards relate.

Section 6. Effectiveness of this Plan. This Plan is effective as of the Effective Date which is the date of adoption of this Plan by the Board.

Section 7. Term of this Plan. Unless terminated sooner pursuant to Section 5, this Plan will terminate on the date all benefits anticipated by this Plan have been paid.

Section 8. Indemnification of Committee. In addition to such other rights of indemnification as they may have as directors of a corporation or as members of the Committee, the members of the Committee will be indemnified by the Corporation against the reasonable expenses, including attorneys' fees, actually and reasonably incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with this Plan or any grant or Award hereunder, and against all amounts reasonably paid by them in settlement thereof or paid by them in satisfaction of a judgment in any such action, suit or proceeding, if such members acted in good faith and in a manner that they believed to be in, and not opposed to, the best interests of the Corporation.

Section 9. General Provisions.

(a) The establishment of this Plan will not confer upon any Eligible Executive or Employee, any legal or equitable right against the Corporation, any Subsidiary or the Committee, except as expressly provided in this Plan or employment agreement of the Eligible Executive, if any.

(b) This Plan does not constitute inducement or consideration for the employment of any Employee, nor is it a contract of employment between the Corporation or any Subsidiary and any Employee. Participation in this Plan, or the receipt of a grant or Award hereunder, will not give an Employee any right to be retained in the service of the Corporation or any Subsidiary.

(c) The interests of any Employee under this Plan are not subject to the claims of creditors and may not, in any way, be assigned, alienated or encumbered except as otherwise provided herein.

(d) The Corporation may withhold any federal, state or local taxes required with respect to any distribution under this Plan. The Employee shall take whatever action the Committee deems appropriate with respect to withholding of taxes, including, but not limited to, the Employee remitting to the Corporation any taxes required to be withheld by the Corporation under federal, state or local law as a result of the distribution.

(e) Notwithstanding anything contained herein to the contrary, this Plan shall be administered and operated in accordance with any applicable laws and regulations, including, but not limited to, Section 409A of the Code. The Corporation reserves the right to amend this Plan at any time in order for this Plan to comply with any such laws and regulations.

(f) This Plan will be governed, construed and administered in accordance with the laws of Maryland.

(g) If any provision of this Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provisions of this Plan, and this Plan shall be construed and enforced as if such provision had not been included.

IN WITNESS WHEREOF, the Corporation, by its duly authorized officer, has executed this Plan on the Effective Date and as duly authorized by the Board.

COMMUNICATIONS SALES & LEASING, INC.

By /s/ Kenneth A. Gunderman

Name: Kenneth A. Gunderman

Title: President and Chief Executive Officer

2015 Short Term Incentive Plan

- A. Threshold Level – \$250 million of reported Normalized AFFO⁽¹⁾ for the period from April 27, 2015 to December 31, 2015.
- B. Target and Maximum Levels – Performance based on a qualitative assessment by the Compensation Committee of the following corporate goals:
 - a. Corporate Development and Investments
 - b. Capital Market Transactions
 - c. Stakeholder Engagement (i.e.: investors, analysts, rating agencies)
 - d. Organizational Development
 - e. Corporate Governance
 - f. Spin Completion and Initial Financing
- C. Potential payouts determined by Compensation Committee:

<u>Performance Achievement Level</u>	<u>Potential as Percent of Base Salary(2)</u>	
	<u>CEO</u>	<u>CFO/GC</u>
Threshold	75%	50%
Target	150%	100%
Superior	225%	150%

- (1) Normalized AFFO to be calculated consistent with public information, excluding customary non-cash items, capital market and M&A transaction pursuit and closing cost, infrequent and non-recurring items. Excludes effect of future capital market transactions, M&A transactions, and first year corporate development and other similar costs.
- (2) Subject to adjustment as determined by Compensation Committee in its sole discretion.

SEVERANCE AGREEMENT

This Severance Agreement (the “Agreement”), dated as of June 1, 2015 (the “Effective Date”), is made by and between Communications Sales & Leasing, Inc., a Maryland corporation (the “Corporation”), and Mark A. Wallace (“Executive”).

WHEREAS, the Board of Directors of the Corporation (the “Board”) has determined that it is in the best interests of the Corporation to retain the services of Executive by the Corporation;

WHEREAS, Executive desires to be employed by the Corporation; and

WHEREAS, the Corporation and Executive desire to enter into this Agreement to set forth their understanding as to their respective rights and obligations in the event of a termination of Executive’s employment.

NOW THEREFORE, in consideration of the premises and the mutual covenants herein contained, the Corporation and Executive hereby agree as follows:

1. Defined Terms. For purposes of this Agreement, the following terms have the meanings indicated below:

(A) “Affiliate” means any business entity that is a Subsidiary of the Corporation and any limited liability company, partnership, corporation, joint venture, or any other entity in which the Corporation or any such Subsidiary owns an equity interest.

(B) “Annual Incentive Plan” means the Communications Sales & Leasing, Inc. Performance Incentive Compensation Plan (or any successor plan).

(C) “Annual Incentive Target” means, with respect to any measuring period, the amount of cash compensation that would be payable to Executive under the Annual Incentive Plan for such measuring period, computed assuming that the level of performance with respect to a performance goal identified in accordance with the terms of the Annual Incentive Plan as the “target” level of performance has been achieved. Where no level of performance has been specifically identified as the “target” level, the “target” level shall be (i) the only level if one level is identified and (ii) the midpoint between the lowest level and the highest level if two or more levels are identified. Where the amount of compensation depends on the achievement of multiple performance goals, the achievement of each target level of performance with respect to each goal shall be assumed.

(D) “Cause” means the occurrence of any of the following: (i) Executive’s failure to make a good faith effort to substantially perform his or her duties (other than any such failure due to Executive’s Disability) or Executive’s insubordination with respect to a specific directive of any officer (if Executive reports directly to an officer) or the Board (if Executive reports directly to the Board) to which Executive reports directly or indirectly; (ii) Executive’s dishonesty, gross negligence in the performance of his or her duties hereunder or engaging in willful misconduct, which in the case of any such gross negligence, has caused or is reasonably expected to result in direct or indirect material injury to the Corporation or any Affiliate; (iii) breach by Executive of any material provision

of any written agreement, including, without limitation, this Agreement, with the Corporation or any Affiliate or material violation of any Corporation policy applicable to Executive; or (iv) Executive's commission of a crime that constitutes a felony or other crime of moral turpitude or fraud. If, subsequent to Executive's termination of employment hereunder for other than Cause, the Corporation in good faith determines that Executive's employment could have been terminated for Cause hereunder, Executive's employment shall, at the election of the Corporation, be deemed to have been terminated for Cause retroactively to the date the events giving rise to Cause occurred.

(E) A "Change in Control" means, at any time subsequent to the date of this Agreement, the occurrence of any of the following events:

(i) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Corporation to any Person or group of related Persons for purposes of Section 13(d) of the Exchange Act (a "Group"), together with any affiliates thereof;

(ii) the commencement of the liquidation or dissolution of the Corporation that occurs following the approval by the holders of capital stock of the Corporation of any plan or proposal for such liquidation or dissolution of the Corporation;

(iii) any Person or Group becomes the beneficial owner (within the meaning of Section 13(d) of the Exchange Act), directly or indirectly, of shares representing more than 50% of the aggregate voting power of the issued and outstanding stock entitled to vote in the election of directors, managers or trustees of the Corporation and such Person or Group actually has the power to vote such shares in any such election;

(iv) the replacement of a majority of the Board over a two-year period from the directors who constituted the Board at the beginning of such period, and such replacement shall not have been approved by a vote of at least a majority of the Board then still in office who either were members of such Board at the beginning of such period; or

(v) a merger or consolidation of the Corporation with another entity in which holders of the Corporation's common stock immediately prior to the consummation of the transaction hold, directly or indirectly, immediately following the consummation of the transaction, 50% or less of the common equity interest in the surviving corporation in such transaction.

Notwithstanding anything herein to the contrary, an event described above shall be considered a Change in Control hereunder only if it also constitutes a "change in control event" under Section 409A of the Code, to the extent necessary to avoid the adverse tax consequences thereunder with respect to any award subject to Section 409A of the Code.

(F) "Code" means the Internal Revenue Code of 1986 and the rules and regulations promulgated thereunder, as such law, rules and regulations may be amended, supplemented or replaced from time to time.

(G) "Date of Termination" has the meaning stated in paragraph (B) of Section 8 hereof.

(H) “Disability” means that Executive is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. The determination of whether an individual has a Disability shall be determined under procedures established by the Board. The Board may rely on any determination that Executive is disabled for purposes of benefits under any long-term disability plan maintained by the Corporation or any Affiliate in which Executive participates, provided that the definition of disability applied under such disability plan meets the requirements of a Disability in the first sentence hereof.

(I) “Exchange Act” means the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder, as such law, rules and regulations may be amended, supplemented or replaced from time to time.

(J) “Good Reason” means any one of the following: (i) a material diminution in Executive’s base compensation (from the amount in effect on the date of the Change in Control); (ii) a material diminution in authority, duties, or responsibilities of Executive; (iii) a material diminution in the budget over which executive retains authority; (iv) a material change in the geographic location (i.e., to a location more than 50 miles from Executive’s primary work location prior to such change) at which Executive is required to perform services; and (v) any other action or inaction that constitutes a material breach of Executive’s employment agreement, if any, with the Corporation or any Affiliate; provided, however, that for Executive to be able to resign for “Good Reason,” Executive must give the Corporation and the applicable Affiliate, if any, notice of the above conditions within 90 days after the condition first exists, the Corporation and/or Affiliate must not have remedied the condition within 30 days after receiving written notice, and Executive must resign within 60 days after Executive’s and/or Affiliate’s failure to remedy.

(K) “Non-Interference / Assistance Period” means the period commencing with the Date of Termination and ending on the first anniversary of the Date of Termination; provided that if a court of competent jurisdiction determines that such period is unenforceable, then such time period shall end on the date that is 6 months after the Date of Termination.

(L) “Notice of Termination” has the meaning stated in Paragraph (A) of Section 8 hereof.

(M) “Payment Trigger” means (i) the termination of Executive’s employment with the Corporation or an Affiliate in a manner that constitutes a “separation from service”, as defined in Section 409A, for any reason other than (a) by Executive without Good Reason, (b) by the Corporation as a result of the Disability of Executive or with Cause or, (c) as a result of the death of Executive (ii) coincident with or within two years following a Change in Control.

(N) “Person” means an individual, partnership, corporation, limited liability company, unincorporated organization, trust or joint venture, or a governmental agency or political subdivision thereof.

(O) “Section 409A” means Section 409A of the Code and any proposed, temporary or final regulations, or any other guidance, promulgated with respect to such Section 409A by the U.S. Department of Treasury or the Internal Revenue Service.

(P) “Subsidiary” means a “subsidiary corporation,” as that term is defined in Section 424(f) of the Code, or any successor provision.

2. Term of Agreement. This Agreement shall become effective on the Effective Date and shall continue in effect until the earliest of (A) a Date of Termination determined in accordance with Section 8 shall have occurred prior to a Change in Control, (B) if a Payment Trigger shall have occurred during the term of this Agreement, the performance by the Corporation of all its obligations under this Agreement, (C) June 1, 2018, if, as of such date, a Change in Control shall not have occurred and be continuing or (D) if, as of June 1, 2018, a Change in Control shall have occurred and be continuing, either the expiration of such period thereafter within which a Payment Trigger may occur or the ensuing occurrence of a Payment Trigger and the performance by the Corporation of all of its obligations under this Agreement.

3. General Provisions.

(A) The Corporation hereby represents and warrants to Executive as follows: (i) the execution and delivery of this Agreement and the performance by the Corporation of the actions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Corporation; (ii) this Agreement is a legal, valid and legally binding obligation of the Corporation, enforceable in accordance with its terms; (iii) either the execution or delivery of this Agreement nor the consummation by the Corporation of the actions contemplated hereby (a) will violate any provision of the certificate of incorporation or bylaws (or other charter documents) of the Corporation; or (b) will violate or be in conflict with any applicable law or any judgment, decree, injunction or order of any court or governmental agency or authority. Executive hereby represents and warrants to the Corporation that (x) Executive's execution, delivery and performance of this Agreement does not and shall not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which Executive is a party or by which he is bound, (y) Executive is not a party to or bound by any employment agreement, non-compete agreement or confidentiality agreement with any other person or entity, and (z) upon the execution and delivery of this Agreement by the Corporation, this Agreement shall be the valid and binding obligation of Executive, enforceable in accordance with its terms. Executive hereby acknowledges and represents that s/he fully understands the terms and conditions contained herein.

(B) In no event shall payments be made under this Agreement in respect of more than one termination of Executive's employment with the Corporation and its Affiliates.

(C) This Agreement does not create, and shall not be construed as creating, an express or implied contract of employment and, except as otherwise agreed in writing between Executive and the Corporation, Executive does not and shall not have any right to be retained in the employ of the Corporation or any Affiliate. Notwithstanding the immediately preceding sentence or any other provision of this Agreement, a termination of Executive's employment with the Corporation or any Affiliate must be effected in accordance with a Notice of Termination satisfying paragraph (A) of Section 8 in order to constitute a termination for purposes of this Agreement.

4. Severance Payments.

(A) **Not in Connection with a Change in Control.** In the event that the Executive's employment with the Corporation and its Affiliates terminates during the term of this Agreement and such termination does not occur coincident with or within two years following a Change in Control, the terms of this Paragraph (A) of Section 4 shall apply.

(i) Death or Disability. If Executive's employment terminates as a result of Executive's death or Disability, then the Corporation shall pay to Executive Executive's base salary and any accrued vacation pay through the Date of Termination to the extent not theretofore paid, and such amount shall be paid in a lump sum within 30 days following the Date of Termination.

(ii) By the Corporation for Cause or by Executive (with or without Good Reason). If the Corporation terminates Executive's employment for Cause or Executive terminates his or her employment with the Corporation (whether with or without Good Reason), then the Corporation shall pay to Executive Executive's base salary and any accrued vacation pay through the Date of Termination to the extent not theretofore paid, and such amount shall be paid in a lump sum within 30 days following the Date of Termination.

(iii) By the Corporation not for Cause. If the Corporation terminates Executive's employment not for Cause, then the Corporation shall pay to Executive:

(a) Executive's base salary and any accrued vacation pay through the Date of Termination to the extent not theretofore paid, and such amount shall be paid in a lump sum within 30 days following the Date of Termination; and

(b) subject to Sections 7 and 10 of this Agreement, an amount no less than equal to Executive's annual base salary in effect on the Date of Termination. This amount will be paid to Executive in equal installments over a period of 1 year. Such installment payments will be made to Executive in accordance with the Corporation's customary payroll practices.

In the event that Executive's employment with the Corporation is terminated in a manner described in Paragraph (A)(iii) of Section 4, Executive will not be entitled to, and will not receive, any other post-termination compensation, including any benefits under any other severance or change in control severance plan, program, agreement or other form of arrangement maintained or entered into by the Corporation or any Affiliate.

(B) **Coincident with or within two years following a Change in Control.** In the event that Executive's employment with the Corporation and its Affiliates terminates during the term of this Agreement and such termination occurs coincident with or within two years following a Change in Control, the terms of this Paragraph (B) of Section 4 shall apply.

(i) Death or Disability. If Executive's employment terminates as a result of Executive's death or Disability, then the Corporation shall pay to Executive Executive's base salary and any accrued vacation pay through the Date of Termination to the extent not theretofore paid, and such amount shall be paid in a lump sum within 30 days following the Date of Termination.

(ii) By the Corporation for Cause or by Executive without Good Reason. If the Corporation terminates Executive's employment for Cause or Executive terminates his or her employment without Good Reason, then the Corporation shall pay to Executive Executive's base salary and any accrued vacation pay through the Date of Termination to the extent not theretofore paid, and such amount shall be paid in a lump sum within 30 days following the Date of Termination.

(iii) Upon the occurrence of a Payment Trigger. If a Payment Trigger occurs during the term of this Agreement, then the Corporation shall provide to Executive:

(a) within 30 days following the Date of Termination, Executive's base salary and accrued vacation pay through the Date of Termination to the extent not theretofore paid;

(b) within (I) 30 days following the Date of Termination or (II) any earlier date as required by the Annual Incentive Plan, and subject to Sections 7 and 10 of this Agreement, the amount of any incentive compensation that has been allocated or awarded to Executive for a completed fiscal year or other completed measuring period preceding the occurrence of the Date of Termination under any incentive compensation plan that has not yet been paid to Executive;

(c) within (I) the 30-day period commencing on the 60th day following the Date of Termination, or (II) such later period as required by Section 6, and subject to Sections 7 and 10 of this Agreement, a lump sum payment equal to the product of (x) the Annual Incentive Target in effect immediately prior to the Payment Trigger and (y) a fraction, the numerator of which is the number of calendar days in the current fiscal year through the Date of Termination, and the denominator of which is 365, reduced by the amount, if any, paid or payable to Executive under the Annual Incentive Plan's terms with respect to the fiscal year during which the Date of Termination occurs;

(d) Commencing on the 60th day following the Date of Termination and continuing for a period of 1 year, or within such other period as required by Section 6, and subject to Sections 7 and 10 of this Agreement, the Corporation shall pay to Executive, in equal installments over the course of the applicable payment period, an amount equal to the product of: (I) two multiplied by, (II) the sum of: (x) the higher of (1) Executive's annual base salary in effect immediately prior to the occurrence of the Change in Control and (2) Executive's annual base salary in effect immediately prior to the Payment Trigger and (y) the higher of Executive's Annual Incentive Target in effect immediately prior to the occurrence of the Change in Control and Executive's Annual Incentive Target in effect immediately prior to the Payment Trigger. The installment payments will be made to Executive in accordance with the Corporation's customary payroll practices;

(e) Commencing on the 60th day following the Date of Termination and continuing for a period of 1 year, and subject to Sections 7 and 10 of this Agreement the Corporation shall pay to Executive, in equal installments over the course of the applicable payment period, an amount equal to the product of (I) Executive's monthly premium for health and dental insurance continuation coverage for Executive and Executive's family under the Consolidated Omnibus Budget Reconciliation Act of 1985, based on the monthly premium rate for such coverage in effect on the Date of Termination, multiplied by (II) 24 months. The installment payments will be made to Executive in accordance with the Corporation's customary payroll practices;

(f) subject to Sections 7 and 10 of this Agreement, up to \$25,000 for executive transition/outplacement services received by Executive (I) prior to the expiration of the Non-Interference / Assistance Period (II) through a third party professional provider of such services identified and retained by Executive. Such payment will be paid directly to such third party provider by the Corporation promptly following its receipt of an invoice from such provider confirming the provision of such services to Executive.

Notwithstanding the foregoing, if Executive receives any payments or benefits pursuant to Paragraph (B)(iii) of this Section 4, Executive shall not be entitled to any severance pay or benefits under any other severance or change in control severance plan, program or policy maintained by the Corporation and/or one or more Affiliates, unless otherwise specifically provided therein in a specific reference to this Agreement.

5. Certain Reductions in Change in Control Payments.

(A) In the event that the Accounting Firm determines that any Change in Control Payment to Executive would be subject to the Excise Tax, the Accounting Firm shall determine, in accordance with the following restrictions, whether to reduce the aggregate amount of the Change in Control Payments payable to Executive to the Reduced Amount. For clarity, the Change in Control Payments shall be reduced to the Reduced Amount only if the Accounting Firm determines that Executive would receive a greater Net After-Tax Benefit if Executive's Change in Control Payments were reduced to the Reduced Amount.

(B) If the Accounting Firm determines that the aggregate Change in Control Payments otherwise payable to Executive should be reduced to the Reduced Amount in accordance with Section 5(A), the Corporation shall promptly notify Executive to that effect and provide Executive a copy of the detailed calculation thereof. All determinations made by the Accounting Firm under this Section 5 shall be binding upon the Corporation and Executive and shall be made within 30 business days after termination of Executive's employment. The reduction of Executive's Change in Control Payments to the Reduced Amount, if applicable, shall be made by reducing the Change in Control Payments under the following Paragraphs of Section 4 (and no other Change in Control Payments) in the following order: (i) Paragraph (B)(iii)(d), (ii) Paragraph (B)(iii)(c), (iii) Paragraph (B)(iii)(e), and (iv) Paragraph (B)(iii)(f). All fees and expenses of the Accounting Firm pursuant to this Section 5 shall be borne solely by the Corporation.

(C) The following terms have the following meanings for purposes of this Section 5.

(i) "Accounting Firm" means an independent, nationally recognized accounting firm designated by the Corporation in good faith prior to a Change in Control; *provided that* if the Accounting Firm is not willing or able to value the restrictive covenants in Section 9, then the restrictive covenants shall be valued by an independent third-party valuation specialist selected by the Corporation in good faith.

(ii) "Change in Control Payment" means any payment or distribution by the Corporation in the nature of compensation (within the meaning of Section 280G(b)(2) of the Code) to or for the benefit of Executive that is contingent on a Change in Control, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise.

(iii) “Excise Tax” means the excise tax imposed by Section 4999 of the Code, together with any interest or penalties imposed with respect to such excise tax.

(iv) “Net After-Tax Benefit” means the aggregate Value of all Change in Control Payments to Executive, net of all taxes imposed on Executive with respect thereto under Sections 1 and 4999 of the Code and under applicable state and local laws, as determined by the Accounting Firm after taking into account any value attributable to the restrictive covenants in Section 9 that is treated as reasonable compensation described in Section 280G(b)(4) of the Code.

(v) “Reduced Amount” means the greatest amount of Change in Control Payments that can be paid to Executive that would not result in the imposition of the Excise Tax upon Executive if the Accounting Firm determines to reduce Change in Control Payments to Executive pursuant to this Section 5, determined after taking into account any value attributable to the restrictive covenants in Section 9 that is treated as reasonable compensation described in Section 280G(b)(4) of the Code.

(vi) “Value” of a Change in Control Payment means the economic present value of a Change in Control Payment as of the date of the Change in Control (or such other date as required pursuant to Section 280G), as determined by the Accounting Firm pursuant to Section 280G of the Code using the discount rate required by Section 280G(d)(4) of the Code.

6. Compliance with Section 409A.

(A) Notwithstanding anything contained in this Agreement to the contrary, if Executive is a “specified employee,” as determined under the Corporation’s policy for determining specified employees on the Date of Termination, all payments, benefits or reimbursements paid or provided under this Agreement that constitute a “deferral of compensation” within the meaning of Section 409A of the Code, that are provided as a result of a “separation from service” within the meaning of Section 409A and that would otherwise be paid or provided during the first six months following such Date of Termination shall be accumulated through and paid or provided (together with interest at the applicable Federal short-term rate, compounded semi-annually, in effect under Section 1274(d) of the Code as of the Date of Termination) within 30 calendar days after the first business day following the six month anniversary of such Date of Termination (or, if Executive dies during such six-month period, within 10 calendar days after Executive’s death).

(B) It is intended that the payments and benefits provided under this Agreement either shall be exempt from the application of or shall comply with the requirements of Section 409A. For purposes of Section 409A, each payment hereunder shall be considered a separate payment. This Agreement shall be construed, administered, and governed in a manner that effects such intent, and the Corporation shall not take any action that would be inconsistent with such intent. Without limiting the foregoing, the payments and benefits provided under this Agreement may not be deferred, accelerated, extended, paid out or modified in a manner that would result in the imposition of an additional tax under Section 409A upon Executive. Although the Corporation shall use its best efforts to avoid the imposition of taxation, interest and penalties under Section 409A, the tax treatment of the benefits provided under this Agreement is not warranted or guaranteed. Neither the Corporation, its Affiliates nor any of their respective directors, officers, employees or advisors shall be held liable for any taxes, interest, penalties or other monetary amounts owed by Executive or any other taxpayer as a result of the Agreement.

7. Release. Notwithstanding anything contained herein to the contrary, the Corporation shall only be obligated to pay or provide, or continue to pay or provide, any benefit under Paragraphs (A)(iii), (B)(iii)(c), (B)(iii)(d), (B)(iii)(e) and (B)(iii)(f) of Section 4 to the extent that: (A) within the 45-day period after the Date of Termination, Executive executes a waiver and release substantially in the form attached hereto as Exhibit A; (B) Executive does not revoke such waiver and release; (C) the waiver and release becomes effective and irrevocable in accordance with its terms; (D) Executive remains in compliance with the terms and conditions of Section 9; and (E) Executive is not then-currently subject to any claims for recoupment or clawback of any of his or her compensation from the Corporation under any clawback and/or recoupment policy of the Corporation applicable to Executive.

8. Termination Procedures.

(A) Except in the event that Executive's employment terminates as a result of Executive's death (in which case no Notice of Termination is required), any purported termination of Executive's employment shall be communicated by written Notice of Termination from one party hereto to the other party hereto in accordance with Section 13 hereof. For purposes of this Agreement, a "Notice of Termination" means a written notice that indicates the specific termination provision in this Agreement relied upon, and, if applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated. Further, a Notice of Termination for Cause shall include a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the entire membership of the Board (excluding for these purposes Executive himself or herself) at a meeting of the Board that was called and held for the purpose of considering the termination (after reasonable notice to Executive and an opportunity for Executive, together with his or her counsel, to be heard by the members of the Board) finding that, in the informed, reasonable, good faith judgment of the Board, Executive was guilty of conduct set forth in the definition of Cause in Section 1(D), and specifying the particulars thereof in detail.

(B) "Date of Termination" means the effective date of the termination of Executive's employment with the Corporation resulting from Executive's death or an event that constitutes a "separation from service" within the meaning of Section 409A of the Code. Except as provided in the next sentence, the Date of Termination shall be determined as follows: (i) if Executive's employment is terminated for Disability, 20 business days after Notice of Termination is given (provided that Executive shall not have returned to the full-time performance of Executive's duties during that 20 business day period); (ii) if Executive's employment is terminated as a result of Executive's death, the date of Executive's death; and (iii) if Executive's employment is terminated for any other reason, the date specified in the Notice of Termination, which, in the case of a termination by the Corporation, shall not be less than 10 business days except in the case of a termination for Cause (in which case the date of termination may be earlier), and, in the case of a termination by Executive, shall not be less than 10 business days nor more than 20 business days, respectively, after the date such Notice of Termination is given. The Corporation and Executive shall take all steps necessary (including with regard to any post-termination services by Executive) to ensure that any termination described in this Paragraph (B) of Section 8 constitutes a "separation from service" (or is otherwise a permissible distribution event) within the meaning of Section 409A of the Code and that the date on which such separation from service (or permissible distribution event) takes place is the "Date of Termination".

9. Non-Disclosure; Non-Competition; and Non-Interference

(A) Executive acknowledges that in the course of his or her employment with the Corporation and its Affiliates s/he has had and will have access to confidential information and trade secrets proprietary to the Corporation and its Affiliates, including, without limitation, information relating to the Corporation's and its Affiliates' products, suppliers, and customers, the sources, nature, processes, costs and prices of the Corporation's and its Affiliates' products, the names, addresses, contact persons, purchasing and sales histories, and preferences of the Corporation's and its Affiliates' suppliers and customers, the Corporation's and its Affiliates' business plans and strategies, and the names and addresses of, amounts of compensation paid to, and the trading and sales performance of the Corporation's and its Affiliates' employees and agents (hereinafter referred to as the "Confidential Information"). Executive further acknowledges that the Confidential Information is proprietary to the Corporation and its Affiliates, that the unauthorized disclosure of any of the Confidential Information to any person or entity will result in immediate and irreparable competitive injury to the Corporation and its Affiliates, and that such injury cannot adequately be remedied by an award of monetary damages. Accordingly, Executive shall not at any time disclose any Confidential Information to any person or entity who is not properly authorized by the Corporation or its Affiliates to receive the information without the prior written consent of the Chairman of the Board (which consent may be withheld for any reason or no reason) unless and except to the extent that such disclosure is required by any subpoena or other legal process (in which event Executive shall give the Chairman of the Board prompt written notice of such subpoena or other legal process in order to permit the Corporation and its Affiliates to seek appropriate protective orders), and that s/he shall not use any Confidential Information for his or her own account without the prior written consent of the Chairman of the Board (which consent may be withheld for any reason or no reason).

(B) Executive shall not during his or her employment with the Corporation or its Affiliates and thereafter until the expiration of the Non-Interference/Assistance Period, in any manner, directly or indirectly, through any person, firm or corporation, alone or as a member of a partnership or as an officer, director, shareholder, investor or employee of or in any other corporation or enterprise or otherwise, (i) engage in or be engaged in, or collaborate or partner with, or assist or provide perform any executive, managerial, supervisory, sales, marketing, research, consulting, or customer-related services to any other person, firm, corporation or enterprise in engaging or being engaged in, any Competitive Business within any state in which the Corporation or any Affiliate conducts business as of Executive's Date of Termination, or (ii) directly or indirectly solicit, divert, take away, service, or accept the business of any active customer of the Corporation or any Affiliate, or any person or entity who is or was at any time during the previous one-year period a customer of the Corporation or any Affiliate. Nothing in this Section 9 prohibit Executive from being: (a) owning shares of a mutual fund or a diversified investment company or (b) passively owning not more than 5% of any class of outstanding equity securities of any corporation or other entity that is publicly traded, so long as Executive does not actively participate in the business of such corporation or other entity. For purposes of this Section 9, "Competitive Business" means the business then actively being conducted by the Corporation or any Affiliate as of the Date of Termination, and any area of business in which the Corporation or any Affiliate has engaged during the one year period immediately preceding the Date of Termination, including, but not limited to, the business of owning, acquiring, developing, building and/or leasing communication distribution systems, the business of owning, acquiring, developing, building and/or leasing other real property assets within or outside of the communications infrastructure industry for lease to third parties and the business of operating, managing and/or administering real estate investment trusts.

(C) Executive shall not during his or her employment with the Corporation or its Affiliates and thereafter until the expiration of the Non-Interference/Assistance Period, employ, partner or collaborate on a business enterprise with or assist any person or entity in employing, any employee of the Corporation or an Affiliate. Executive shall not during his or her employment with the Corporation or its Affiliates and thereafter until the expiration of the Non-Interference/Assistance Period solicit, or assist any person or entity to solicit, any employee of the Corporation or any Affiliate to leave the employment of the Corporation or such Affiliate or to become employed by, or partner or collaborate on a business enterprise with, any other entity.

(D) If a court of competent jurisdictions holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties agree to substitute the maximum period, scope or geographical area reasonable under such circumstances for the stated period, scope or area and that the court shall be allowed to revise and/or modify the restrictions contained herein to cover the maximum period, scope and area permitted by applicable law.

(E) Executive acknowledges that the covenants contained in this Section 9 are a principal inducement for the willingness of the Corporation to enter into this Agreement and make the payments and provide to Executive the benefits described in this Agreement and that the Corporation and Executive intend the covenants (i) to be binding upon and enforceable against Executive in accordance with their terms, notwithstanding any common or statutory law to the contrary; and (ii) to survive and continue in full force in accordance with their terms notwithstanding the termination of this Agreement. Executive agrees that the obligations of the Corporation under this Agreement (specifically including, but not limited to, the obligation to make any payment or provide any benefit under any of Paragraphs (A)(iii), (B)(iii)(c), (B)(iii)(d), (B)(iii)(e) and (B)(iii)(f) of Section 4) constitute sufficient consideration for the covenants contained in this Section 9. The Corporation and Executive further agree that the restrictions contained in this Section 9 are reasonable in period, scope and geographical area and are necessary to protect the legitimate business interests and Confidential Information of the Corporation and its Affiliates. Executive agrees that s/he will notify the Corporation in writing if s/he has any questions regarding the applicability of this Section 9. Because Executive's services are unique and because Executive has access to Confidential Information, the parties agree that the Corporation and its Affiliates would be damaged irreparably in the event any of the provisions of this Section 9 were not performed in accordance with their specific terms or were otherwise breached and that money damages would be an inadequate remedy for any such non-performance or breach. In the event that Executive breaches or threatens to breach any such provision of this Section 9, the parties agree that the Corporation and its Affiliates shall be entitled to seek any and all equitable and legal relief provided by law, specifically including immediate and permanent injunctive relief to prevent any breach or threatened breach of any of such provisions and to enforce such provisions specifically (without posting a bond or other security). Executive hereby waives any claim that the Corporation and its Affiliates have an adequate remedy at law. The parties agree that the foregoing relief shall not be construed to limit or otherwise restrict the ability of the Corporation and its Affiliates to pursue any other remedy provided by law, including the recovery of any actual, compensatory or punitive damages.

10. Cessation of Payments; Recoupment. The Corporation and Executive acknowledge and agree that the Corporation may cease making any and all payments payable under Paragraphs (A)(iii), (B)(iii)(c), (B)(iii)(d), (B)(iii)(e) and (B)(iii)(f) of Section 4 if the Corporation reasonably believes that Executive has breached, or is in breach of, any of his/her obligations under Section 9. Without prejudice to any other remedies available to the Corporation under this Agreement or applicable law, the Corporation may also seek to recoup, and Executive agrees to return upon Corporation's written request, any payments (other than Executive's annual base salary and any accrued vacation pay through the Date of Termination) made to Executive under Paragraphs (A)(iii), (B)(iii)(c), (B)(iii)(d), (B)(iii)(e) and (B)(iii)(f) of Section 4 if Executive has breached, or is in breach of, any of Executive's obligations under this Agreement.

11. Disputes.

(A) Except as set forth in Section 11(B) below, any dispute or controversy arising out of or in connection with this Agreement shall, upon a written notice from Executive to the Corporation either before suit thereupon is filed or within 20 business days thereafter, be settled exclusively by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitration proceeding shall be conducted before a panel of three arbitrators sitting in the municipality in which Executive's principal place of employment with the Corporation (or, if applicable, an Affiliate) is (or was, in the event that Executive's employment is terminated prior to the initiation of arbitration proceedings) located. Judgment may be entered on the arbitrator's award in any court having jurisdiction.

(B) Notwithstanding anything to the contrary in Section 11(A), the Corporation shall not be required to seek or participate in arbitration regarding any breach or threatened breach by Executive of his or her obligations under Section 9, and may instead pursue its remedies for such breach in a court of competent jurisdiction in accordance with Section 15.

(C) Corporation undertakes and agrees that if Corporation breaches or threatens to breach any material provision of this Agreement, Corporation shall be liable for any attorneys' fees and costs reasonably incurred by Executive in enforcing, in accordance with the terms of this Agreement, Executive's rights under this Agreement. Executive undertakes and agrees that if Executive breaches or threatens to breach any provision of this Agreement, Executive shall be liable for any attorneys' fees and costs reasonably incurred by the Corporation in enforcing, in accordance with the terms of this Agreement, its rights under this Agreement.

12. Successors; Binding Agreement.

(A) Except as otherwise provided herein, all covenants and agreements contained in this Agreement shall bind and inure to the benefit of and be enforceable by and upon the Corporation and its successors and assigns.

(B) This Agreement shall inure to the benefit of and be enforceable by Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees, and legatees. Any and all amounts payable to Executive hereunder that, as a result of Executive's death, would not be paid until after Executive's death (other than amounts which, by their terms, terminate upon the death of Executive) shall be paid in accordance with the terms of this Agreement to the executors, personal representatives, or administrators of Executive's estate.

13. Notices. For purposes of this Agreement, all notices and other communications provided pursuant to the Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth below, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon actual receipt:

To the Corporation:

Communications Sales & Leasing, Inc.
10802 Executive Center Drive
Benton Building, Suite 300
Little Rock, Arkansas 72211
Attention: Chief Executive Officer

To Executive:

Mark A. Wallace
xxxxxxx
xxxxxxx

14. Miscellaneous. Except as otherwise provided in Section 6, no provision of this Agreement may be modified, waived, or discharged unless such waiver, modification, or discharge is agreed to in writing and signed by Executive and an officer of the Corporation specifically designated by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement. Any payments provided for hereunder shall be paid net of any applicable withholding required under federal, state, or local law and any additional withholding to which Executive has agreed.

15. Governing Law. The validity, interpretation, construction, and performance of this Agreement shall be governed by the laws of the State of Maryland, without giving effect to any choice of law or conflict of law provision or rule (whether of the State or Maryland or any other jurisdiction). Any legal action, other than an arbitration described in Paragraph (A) of Section 11, relating to or arising out of this Agreement shall be filed and litigated exclusively in a state court of competent jurisdiction located in Little Rock, Arkansas.

16. Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, each of which shall remain in full force and effect.

17. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

[Signature page follows]

IN WITNESS WHEREOF, the parties have signed this Agreement as of the date set forth above.

COMMUNICATIONS SALES & LEASING, INC.

By: /s/ Kenneth A. Gunderman

Name: Kenneth A. Gunderman

Title: President and Chief Executive Officer

EXECUTIVE

/s/ Mark A. Wallace

Mark A. Wallace

EXHIBIT A

WAIVER AND RELEASE AGREEMENT

THIS WAIVER AND RELEASE AGREEMENT (this "Waiver and Release") is entered into by and between _____ ("Executive") and Communications Sales & Leasing, Inc. (the "Company") (collectively, the "Parties").

WHEREAS, the Parties have entered into a Severance Agreement dated as of _____, 20____ (the "Agreement");

WHEREAS, Executive's employment has been or will be terminated in accordance with the Agreement as of [DATE] (the "Date of Termination"); and

WHEREAS, the Parties seek to fully and finally settle all existing claims, whether or not now known, arising out of Executive's employment and termination of employment on the terms set forth herein.

NOW, THEREFORE, in consideration of the promises and agreements contained herein and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, the Parties agree as follows:

1. In consideration of the payments to be made and the benefits to be received by Executive pursuant to Paragraphs (A)(iii), (B)(iii)(c), (B)(iii)(d), (B)(iii)(e) and (B)(iii)(f) of Section 4 of the Agreement (the "Severance Benefits") which Executive acknowledges are in addition to payments and benefits to which Executive would otherwise be entitled upon termination of employment without providing a release of claims under the normal operation of the Company's benefit plans, policies, and/or practices Executive hereby agrees to provide the waiver and release set forth in Section 2 below.
2. For valuable consideration from the Company, receipt of which is hereby acknowledged, Executive waives, releases, and forever discharges the Company and its current and former parents, subsidiaries, affiliates, divisions, shareholders, owners, members, officers, directors, attorneys, agents, employees, successors, and assigns, and the Company's parents', subsidiaries', and affiliates' divisions, shareholders, owners, members, officers, directors, attorneys, agents, employees, successors, and assigns (collectively referred to as the "Company Releasees") from any and all rights, causes of action, claims or demands, whether express or implied, known or unknown, that arise on or before the date that Executive executes this Waiver and Release, which Executive has or may have against the Company and/or the Company Releasees, including, but not limited to, any rights, causes of action, claims, or demands relating to or arising out of the following:
 - a. anti-discrimination, anti-harassment, and anti-retaliation laws, such as the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, and Executive Order 11141, which prohibit employment discrimination based on age; Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866 (42 U.S.C. § 1981), the Equal Pay Act, and Executive Order 11246, which prohibit discrimination based on race, color, national origin, religion, or sex; the Genetic Information

Nondiscrimination Act, which prohibits discrimination on the basis of genetic information; the Americans With Disabilities Act and Sections 503 and 504 of the Rehabilitation Act of 1973, which prohibit discrimination based on disability; and any other federal, state, or local laws prohibiting employment or wage discrimination; and

- b. other employment laws, such as the Worker Adjustment and Retraining Notification Act, which requires that advance notice be given of certain workforce reductions; the Employee Retirement Income Security Act of 1974, which, among other things, protects employee benefits; the Family and Medical Leave Act, which requires employers to provide leaves of absence under certain circumstances; state laws which regulate wage and hour matters, including all forms of compensation, vacation pay, sick pay, compensatory time, overtime, commissions, bonuses, and meal and break periods; state family, medical, and military leave laws, which require employers to provide leaves of absence under certain circumstances; the Sarbanes Oxley Act; and any other federal, state, or local laws relating to employment which—to the extent Employee performed work for the Company in West Virginia—would include, without limitation, the West Virginia Human Rights Act, and—to the extent Employee performed work for the Company in New Jersey—would include, without limitation, the New Jersey Conscientious Employee Protection Act; and
- c. tort, contract, and quasi-contract claims, such as claims for wrongful discharge, physical or personal injury, intentional or negligent infliction of emotional distress, fraud, fraud in the inducement, negligent misrepresentation, defamation, invasion of privacy, interference with contract or with prospective economic advantage, breach of express or implied contract, unjust enrichment, promissory estoppel, breach of covenants of good faith and fair dealing, negligent hiring, negligent supervision, negligent retention, and similar or related claims; and
- d. all remedies of any type, including, but not limited to, damages and injunctive relief, in any action that may be brought on Executive's behalf against the Company and/or the Company Releasees by any government agency or other entity or person.

Executive understands that Executive is releasing claims about which Executive may not know anything at the time Executive executes this Waiver and Release. Executive acknowledges that it is Executive's intent to release such unknown claims, even though Executive recognizes that someday Executive might learn new facts relating to Executive's employment or learn that some or all of the facts Executive currently believes to be true are untrue, and even though Executive might then regret having signed this Waiver and Release. Nevertheless, Executive acknowledges Executive's awareness of that risk and agrees that this Waiver and Release shall remain effective in all respects in any such case. Executive expressly waives all rights Executive might have under any laws, including, without limitation, the laws set forth in Schedule I to this Waiver and Release, intended to protect Executive from waiving unknown claims.

- 3. Notwithstanding anything to the contrary in this Waiver and Release, the waiver and release contained herein shall exclude any rights or claims (a) that may arise after the date on which Executive executes this Waiver and Release; (b) that cannot be released under applicable law

(such as worker's compensation and unemployment insurance claims); or (c) for indemnification or directors and officers liability insurance coverage, if any, to which s/he was entitled immediately prior to his or her Date of Termination with regard to his or her service as an officer or director of the Company or any company(ies) controlled by, controlling or under common control with the Company, and any predecessors, successors or assigns to the foregoing (the "CS&L Group"). In addition, the Parties agree that this Waiver and Release shall not adversely affect, alter, or extinguish (i) any vested right that Executive may have with respect to any pension or other retirement benefits to which Executive is or will be entitled by virtue of Executive's employment with the CS&L Group; (ii) Executive's rights under the Consolidated Omnibus Budget Reconciliation Act of 1985; or (iii) Executive's rights under Sections 4 and 5 of the Agreement which are intended to survive termination of employment, and nothing in this Waiver and Release shall prohibit Executive from enforcing such rights. Moreover, nothing in this Waiver and Release shall prevent or preclude Executive from challenging in good faith the validity of this Waiver and Release, nor does it impose any conditions precedent, penalties, or costs for doing so, unless specifically authorized by applicable law.

4. Except to the extent previously disclosed by Executive in writing to the Company, Executive represents and warrants that Executive has (a) filed no claims, lawsuits, charges, grievances, or causes of action of any kind against the Company and/or the Company Releasees and, to the best of Executive's knowledge, Executive possesses no claims (including Fair Labor Standards Act ("FLSA") and worker's compensation claims); (b) received any and all compensation (including overtime compensation), meal periods, and rest periods to which Executive may have been entitled, and Executive is not currently aware of any facts or circumstances constituting a violation by the Company and/or the Company Releasees of the FLSA or other applicable wage, hour, meal period, and/or rest period laws; and (c) not suffered any work-related injury or illness within the twelve (12) months preceding Executive's execution of this Waiver and Release, and Executive is not currently aware of any facts or circumstances that would give rise to a worker's compensation claim against the Company and/or the Company Releasees.
5. Executive agrees that Executive will remain reasonably available to the Company as needed to assist in the smooth transition of Executive's duties to one or more other employees of the Company and without additional compensation to Executive and to assist in the defense of the Company's interests in pending or threatened litigation and any other administrative and regulatory proceedings which currently exist or which may arise in the future and involve the conduct of the Company's business activities during the period of Executive's employment with the Company. Executive's obligations with respect to transition duties under this Section 5 shall terminate eight (8) weeks following the Date of Termination; however, Executive's obligations under this Section 5 with respect to the defense of the Company's interests shall survive the Date of Termination and the termination of this Waiver and Release.
6. Executive specifically agrees and understands that the existence and terms of this Waiver and Release are strictly CONFIDENTIAL and that such confidentiality is a material term of this Waiver and Release. Accordingly, except as required by applicable law or unless authorized to do so by the Company in writing, Executive agrees that s/he shall not communicate, display or otherwise reveal any of the contents of this Waiver and Release to anyone other

than his or her spouse, attorney or financial advisor, provided, however, that they are first advised of the confidential nature of this Waiver and Release and Executive obtains their agreement to be bound by the same. The Company agrees that Executive may respond to legitimate inquiries regarding his or her employment with the Company by stating that the Parties terminated their relationship on an amicable basis and that the Parties have entered into a confidential Waiver and Release that prohibits him or her from further discussing the specifics of his or her separation. Nothing contained herein shall be construed to prevent Executive from discussing or otherwise advising subsequent employers of the existence of any obligations as set forth in the Agreement or this Waiver and Release. Further, nothing contained herein shall be construed to limit or otherwise restrict the CS&L Group's ability to disclose the terms and conditions of this Waiver and Release as may be required by applicable law or business necessity.

7. In the event that Executive breaches or threatens to breach any provision of this Waiver and Release, s/he agrees that the CS&L Group shall be entitled to seek any and all equitable and legal relief provided by law, specifically including immediate and permanent injunctive relief. Executive hereby waives any claim that the CS&L Group has an adequate remedy at law. In addition, and to the extent not prohibited by law, Executive agrees that the CS&L Group shall be entitled to an award of all costs and attorneys' fees incurred by the CS&L Group in any successful effort to enforce the terms of this Waiver and Release. Executive agrees that the foregoing relief shall not be construed to limit or otherwise restrict the CS&L Group's ability to pursue any other remedy provided by law, including the recovery of any actual, compensatory or punitive damages. Moreover, if Executive pursues any claims against any Company Releasee subject to the foregoing Waiver and Release, Executive agrees to immediately reimburse the Company for the value of all Severance Benefits received to the fullest extent permitted by law.
8. The Parties acknowledge that this Waiver and Release is entered into solely for the purpose of ending their employment relationship on an amicable basis and shall not be construed as, or used as evidence of, an admission of liability or wrongdoing by either Party and that both the CS&L Group and Executive have expressly denied any such liability or wrongdoing. Executive agrees that s/he is eligible for re-employment by CS&L Group only by mutual agreement and consent of the Parties.
9. Each of the promises and obligations contained in this Waiver and Release shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, assigns and successors in interest of each of the Parties.
10. The Parties agree that each and every paragraph, sentence, clause, term and provision of this Waiver and Release is severable and that if any portion of this Waiver and Release should be deemed not enforceable for any reason, such portion shall be stricken and the remaining portion(s) thereof should continue to be enforced to the fullest extent permitted by applicable law.
11. This Waiver and Release shall be interpreted, enforced and governed under the laws of the State of Maryland, without regard to any applicable state's choice of law provisions.

12. Executive represents and acknowledges that in signing this Waiver and Release s/he does not rely, and has not relied, upon any representation or statement made by the CS&L Group or by any of the CS&L Group's employees, officers, agents, stockholders, directors or attorneys with regard to the subject matter, basis or effect of this Waiver and Release other than those specifically contained herein.
13. Executive acknowledges that Executive has been given at least forty-five (45) days to consider this Waiver and Release from the date that it was first given to Executive. Executive agrees that changes in the terms of this Waiver and Release, whether material or immaterial, do not restart the running of the forty-five (45)-day consideration period. Executive may accept this Waiver and Release by executing this Waiver and Release within the designated time period, but no sooner than the first day after the Date of Termination. Executive shall have seven (7) days from the date that Executive executes this Waiver and Release to revoke Executive's acceptance of this Waiver and Release by delivering written notice of revocation within the seven (7)-day period to the following Company contact:

Communications Sales & Leasing, Inc.
10802 Executive Center Drive
Benton Building, Suite 300
Little Rock, Arkansas 72212
Attn: Human Resources Department

If Executive does not revoke acceptance, this Waiver and Release will become effective and irrevocable by Executive on the eighth day after Executive has executed it.

14. This Waiver and Release represents the entire agreement between the Parties concerning the subject matter hereof, shall supersede any and all prior agreements which may otherwise exist between them concerning the subject matter hereof (specifically excluding, however, the post-termination obligations contained in the Agreement), and shall not be altered, amended, modified or otherwise changed except by a writing executed by both Parties.

BY SIGNING BELOW, EXECUTIVE ACKNOWLEDGES THAT S/HE HAS READ THIS WAIVER AND RELEASE AND THAT IT INCLUDES A COMPLETE RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS; THAT THE COMPANY HAS ADVISED EXECUTIVE TO CONSULT WITH AN ATTORNEY PRIOR TO SIGNING THIS WAIVER AND RELEASE; THAT S/HE HAS BEEN GIVEN SUFFICIENT TIME TO CONSULT WITH AN ATTORNEY AND CONSIDER THE TERMS OF THIS WAIVER AND RELEASE; THAT S/HE UNDERSTANDS EACH OF ITS TERMS; AND THAT S/HE HAS SIGNED THIS WAIVER AND RELEASE KNOWINGLY AND VOLUNTARILY.

IN WITNESS WHEREOF, the Parties have themselves signed, or caused a duly authorized agent thereof to sign, this Waiver and Release on their behalf and thereby acknowledge their intent to be bound by its terms and conditions.

EXECUTIVE

COMMUNICATIONS SALES AND LEASING, INC.

Signed: _____
Print Name: _____
Date: _____

Signed: _____
Title: _____
Date: _____

[Schedule I to Waiver and Release

As emphasized in the Waiver and Release, Executive understands that Executive is releasing claims that Executive may not know about and that Executive expressly waives and relinquishes all rights and benefits which Executive may have under any state or federal statute or common law principle that would otherwise limit the effect of this release to claims known or suspected prior to the date Executive signs this Waiver and Release, including, but not limited to, the effect of protections afforded by the following laws:

1. California Employees

Section 1542 of the Civil Code of the State of California states as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.”

2. Montana Employees

Section 28-1-1602 of the Montana Code Annotated states as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in the creditor’s favor at the time of executing the release, which, if known by the creditor, must have materially affected the creditor’s settlement with the debtor.”

3. North Dakota Employees

Section 9-13-02 of the North Dakota Century Code states as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in the creditor’s favor at the time of executing the release, which if known by the creditor, must have materially affected the creditor’s settlement with the debtor.”

4. South Dakota Employees

Section 20-7-11 of the South Dakota Codified Laws states as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his [or her] favor at the time of executing the release, which if known by him [or her] must have materially affected his [or her] settlement with the debtor.”

Thus, notwithstanding the provisions of Section 1542 of the Civil Code of the State of California, Section 28-1-1602 of the Montana Code Annotated, Section 9-13-02 of the North Dakota Century Code, and Section 20-7-11 of the South Dakota Codified Laws, and for the purpose of implementing a full and complete release and discharge of the Company and the Company Releasees, Employee expressly acknowledges that this release is intended to include in its effect, without limitation, all claims which Employee does not know or suspect to exist in Employee’s favor at the time Employee executes this Agreement, and that this Agreement contemplates the extinguishment of any such claims.]

**COMMUNICATIONS SALES & LEASING, INC.
2015 EQUITY INCENTIVE PLAN**

RESTRICTED SHARES AGREEMENT - TIME-BASED VESTING ONLY

Summary of Restricted Share Grant

Communications Sales & Leasing, Inc., a Maryland corporation (the “Company”), grants to the Grantee named below, in accordance with the terms of the Communications Sales & Leasing, Inc. 2015 Equity Incentive Plan (the “Plan”), and this Restricted Shares Agreement (the “Agreement”), the following number of Restricted Shares covered by this Agreement (the “Restricted Shares”), on the Date of Grant set forth below:

Name of Grantee: _____

Number of Restricted Shares: _____

Date of Grant: _____

Terms of Agreement

1. Grant of Restricted Shares. Subject to and upon the terms, conditions, and restrictions set forth in this Agreement and in the Plan, the Company hereby grants to the Grantee as of the Date of Grant, the total number of Restricted Shares set forth above. The Restricted Shares shall be fully paid and nonassessable.

2. Vesting of Restricted Shares.

(a) The Restricted Shares shall become vested and nonforfeitable (“Vested”) if the Grantee shall have remained in the continuous employ of the Company or a Subsidiary through the vesting dates set forth below with respect to the percentage of Restricted Shares set forth next to such date:

Vesting Date	Percentage of Restricted Shares Vesting on such Vesting Date

(b) Notwithstanding the provisions of Section 2(a), in the event the Grantee’s employment with the Company and its Subsidiaries is terminated without Cause, the Grantee terminates his or her employment with the Company or a Subsidiary for Good Reason, or the Grantee experiences a Company-approved retirement (as determined in the sole discretion of the Committee), the Grantee shall immediately become Vested in a portion of the Restricted Shares necessary to reflect that Grantee is Vested, in the aggregate with all previously Vested Restricted Shares, in a pro rata portion of his or her Restricted Shares based on the number of days the Grantee was employed by the Company between the Date of Grant and the last applicable Vesting Date.

(c) Notwithstanding the provisions of Section 2(a) or 2(b), all of the Restricted Shares covered by this Agreement shall immediately become Vested if, during the vesting period, the Grantee (i) dies or becomes permanently disabled (as determined by the Committee) while in the employ of the Company or a Subsidiary, or (ii) the Grantee's employment with the Company and its Subsidiaries is terminated without Cause, or the Grantee terminates his or her employment with the Company or a Subsidiary for Good Reason, in each case described in clause (ii) within the two year period immediately following a Change in Control.

(d) Notwithstanding anything contained in this Agreement to the contrary, the Committee may, in its sole discretion, accelerate the time at which the Restricted Shares become vested and nonforfeitable on such terms and conditions as it deems appropriate.

3. Forfeiture of Shares. The Restricted Shares that have not yet Vested pursuant to Section 2 (including without limitation any cash dividends or distributions and any non-cash proceeds related to the unVested Restricted Shares for which the record date occurs on or after the date of forfeiture) shall be forfeited automatically without further action or notice if the Grantee ceases to be employed by the Company or a Subsidiary other than as provided in Section 2(b) or Section 2(c). In the event of a forfeiture of Restricted Shares, the stock book entry account representing such Restricted Shares covered by this Agreement shall be cancelled and such Restricted Shares shall be returned to the Company.

4. Transferability. The Restricted Shares may not be sold, exchanged, assigned, transferred, pledged, encumbered or otherwise disposed of by the Grantee, except to the Company, until the Restricted Shares have become nonforfeitable as provided in Section 2. Any purported transfer or encumbrance in violation of the provisions of this Section 4 shall be void, and the other party to any such purported transaction shall not obtain any rights to or interest in such Restricted Shares. The Committee, in its sole discretion, when and as is permitted by the Plan, may waive the restrictions on transferability with respect to all or a portion of the Restricted Shares, provided that any permitted transferee (other than the Company) shall remain subject to all the terms and conditions applicable to the Restricted Shares prior to such transfer.

5. Dividend, Voting and Other Rights. Except as otherwise provided herein, from and after the Date of Grant, the Grantee shall have all of the rights of a stockholder with respect to the Restricted Shares, including the right to vote the Restricted Shares and receive any cash dividends that may be paid thereon (which such dividends shall be paid no later than the end of the calendar year in which the dividends are paid to the holders of the Common Shares or, if later, the 15th day of the third month following the date the dividends are paid to the holders of the Common Shares); provided, however, that any additional Common Shares or other securities that the Grantee may become entitled to receive pursuant to a stock dividend, stock split, combination of shares, recapitalization, merger, consolidation, separation or reorganization or any other change in the capital structure of the Company shall be considered Restricted Shares and shall be subject to the same restrictions as the Restricted Shares covered by this Agreement. Any cash dividends paid with respect to the Restricted Shares shall be reported on the Grantee's annual wage and tax statement (Form W-2) as compensation and shall be subject to all applicable tax withholdings as provided in Section 10.

6. Custody of Restricted Shares; Stock Power. Until the Restricted Shares have become Vested as provided in Section 2, the Restricted Shares shall be issued in book-entry only form and shall not be represented by a certificate. The restrictions set forth in this Agreement shall be reflected on the stock transfer records maintained by or on behalf of the Company. By execution of this Agreement and effective until the Restricted Shares have become Vested as provided in Section 2, the Grantee hereby irrevocably constitutes and appoints a person or persons of the Company's choosing, or any of them, attorneys-in-fact to transfer the Restricted Shares on the stock transfer records of the Company with full

power of substitution. The Grantee agrees to take any and all other actions (including without limitation executing, delivering, performing and filing such other agreements, instruments and documents) as the Company may deem necessary or appropriate to carry out and give effect to the provisions of this Agreement.

7. Continuous Employment. For purposes of this Agreement, the continuous employment of the Grantee with the Company and its Subsidiaries shall not be deemed to have been interrupted, and the Grantee shall not be deemed to have ceased to be an employee of the Company and its Subsidiaries, by reason of the transfer of his or her employment among the Company and its Subsidiaries or a leave of absence approved by the Committee.

8. No Employment Contract; Disclaimer. Nothing contained in this Agreement shall confer upon the Grantee any right with respect to continuance of employment by the Company and its Subsidiaries, nor limit or affect in any manner the right of the Company and its Subsidiaries to terminate the employment or adjust the compensation of the Grantee, in each case with or without cause. By acceptance of this Agreement, the Grantee acknowledges and agrees that neither this Agreement nor any other agreement awarded prior to the date hereof under any equity compensation plan of the Company or its subsidiaries has created or shall create, or be deemed or construed to create or have created, (i) a contractual, equitable, or other right to receive future grants of equity awards, or other benefits in lieu of equity awards, or (ii) a fiduciary duty or other comparable duty of trust or confidence owed to the Grantee (or any successor, assign, affiliate or family member of the Grantee) by the Company and its affiliates and their respective officers, directors, employees, agents or contractors.

9. Relation to Other Benefits. Any economic or other benefit to the Grantee under this Agreement or the Plan shall not be taken into account in determining any benefits to which the Grantee may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company or a Subsidiary and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company or a Subsidiary.

10. Taxes and Withholding. The Grantee is responsible for any federal, state, local or other taxes with respect to the Restricted Shares (including the grant, the Vesting, the receipt of Common Shares, the sale of Common Shares and the receipt of dividends or distributions, if any). The Company does not guarantee any particular tax treatment or results in connection with the grant or Vesting of the Restricted Shares or the payment of dividends or distributions. If the Company or any Subsidiary is required to withhold any federal, state, local or other taxes in connection with the delivery or vesting of the Restricted Shares, the Grantee shall pay the tax or make provisions that are satisfactory to the Company or such Subsidiary for the payment thereof. The Grantee may elect to satisfy all or any portion of any such withholding obligation by surrendering to the Company or such Subsidiary a portion of the Common Shares that become Vested hereunder, and the Common Shares so surrendered by the Grantee shall be credited against any such withholding obligation at the Market Value per Share of such Common Shares on the date of such surrender.

11. Section 83(b) Election Prohibited. As a condition to receiving this award, the Grantee acknowledges and agrees that he or she shall not file an election under Section 83(b) of the Code with respect to all or any portion of the Restricted Shares.

12. Compliance with Law. The Company shall make reasonable efforts to comply with all applicable federal and state securities laws and listing requirements of the NASDAQ or any national securities exchange with respect to the Restricted Shares; provided, however, notwithstanding any other provision of this Agreement, the Restricted Shares shall not be delivered or become Vested if the delivery or vesting thereof would result in a violation of any such law or listing requirement.

13. Amendments. Subject to the terms of the Plan, the Committee may modify this Agreement upon written notice to the Grantee. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto. Notwithstanding the foregoing, no amendment of the Plan or this Agreement shall adversely affect the rights of the Grantee under this Agreement regarding Restricted Shares that are then Vested under the Plan without the Grantee's consent.

14. Severability. In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

15. Relation to Plan. This Agreement is subject to the terms and conditions of the Plan. This Agreement and the Plan contain the entire agreement and understanding of the parties with respect to the subject matter contained in this Agreement, and supersede all prior written or oral communications, representations and negotiations in respect thereto. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern. Capitalized terms used herein without definition shall have the meanings assigned to them in the Plan. The Committee acting pursuant to the Plan, as constituted from time to time, shall, except as expressly provided otherwise herein, have the right to determine any questions which arise in connection with the grant of the Restricted Shares.

16. Successors and Assigns. Without limiting Section 4, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

17. Governing Law. The interpretation, performance, and enforcement of this Agreement shall be governed by the laws of the State of Maryland, without giving effect to the principles of conflict of laws thereof.

18. Electronic Delivery. The Grantee hereby consents and agrees to electronic delivery of any documents that the Company may elect to deliver (including, but not limited to, prospectuses, prospectus supplements, grant or award notifications and agreements, account statements, annual and quarterly reports, and all other forms of communications) in connection with this and any other award made or offered under the Plan. The Grantee understands that, unless earlier revoked by the Grantee by giving written notice to the Secretary of the Company, this consent shall be effective for the duration of the Agreement. The Grantee also understands that he or she shall have the right at any time to request that the Company deliver written copies of any and all materials referred to above at no charge. The Grantee hereby consents to any and all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents that the Company may elect to deliver, and agrees that his or her electronic signature is the same as, and shall have the same force and effect as, his or her manual signature. The Grantee consents and agrees that any such procedures and delivery may be effected by a third party engaged by the Company to provide administrative services related to the Plan.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its duly authorized officer and the Grantee has also executed this Agreement, as of the Date of Grant.

COMMUNICATIONS SALES & LEASING, INC.

By: Kenny Gunderman
Title: President and CEO

By clicking the **[I Accept]** button, the Grantee hereby acknowledges that a copy of the Plan, Plan Summary and Prospectus and the Company's most recent Annual Report and Proxy Statement (the "Prospectus Information") are available for viewing on the Company's intranet site at [web address]. The Grantee hereby consents to receiving this Prospectus Information electronically, or, in the alternative, agrees to contact [name and phone number] to request a paper copy of the Prospectus Information at no charge. The Grantee represents that he or she is familiar with the terms and provisions of the Prospectus Information and hereby accepts the award of Restricted Shares on the terms and conditions set forth herein and in the Plan. These terms and conditions constitute a legal contract that will bind both you and the Company as soon as you click the **[I Accept]** button.

**COMMUNICATIONS SALES & LEASING, INC.
2015 EQUITY INCENTIVE PLAN**

PERFORMANCE-BASED RESTRICTED STOCK UNIT AGREEMENT

Summary of Restricted Stock Unit Award

As of the Date of Grant set forth below, Communications Sales & Leasing, Inc., a Maryland corporation (the “Company”), grants to the Grantee named below, in accordance with the terms of the Communications Sales & Leasing 2015 Equity Incentive Plan (the “Plan”), and this Restricted Stock Unit Agreement (the “Agreement”), the contingent right to receive all, a portion or a multiple of the Target Number of Restricted Stock Units set forth below:

Name of Grantee: _____

Target Number of Restricted Stock Units: _____

Date of Grant: _____

Terms of Agreement

1. Grant of Restricted Stock Units. Subject to and upon the terms, conditions, and restrictions set forth in this Agreement and in the Plan, the Company hereby grants to the Grantee as of the Date of Grant this Performance-Based Restricted Stock Unit Award, which represents the contingent right to receive all, a portion, or a multiple of the Target Number of Restricted Stock Units (the “Restricted Stock Units”) set forth herein. Except as otherwise provided herein, each Restricted Stock Unit shall represent the right to receive one Common Share and shall at all times be equal in value to one Common Share.

2. Right to Receive Payment.

(a) In General.

(i) The Grantee shall vest in all, a portion, or a multiple of the Target Number of Restricted Stock Units on _____ (the “Vesting Date”), in accordance with the performance matrix attached hereto as Appendix A (the “Performance Matrix”); provided that the Grantee shall have remained in the continuous employ of the Company or any Subsidiary through the Vesting Date. The Performance Period within which the Performance Matrix is measured shall be the period of time from the Date of Grant to the Vesting Date, subject to a 20 day trailing average at the beginning and end of the Performance Period.

(ii) Notwithstanding the provisions of Section 2(a)(i), in the event the Grantee’s employment with the Company and its Subsidiaries is terminated without Cause, the Grantee terminates his employment with the Company or a Subsidiary for Good Reason, or the Grantee experiences a Company-approved retirement (as determined in the sole discretion of the Committee), the Grantee shall remain eligible to vest in his Restricted Stock Units on the Vesting Date subject to the Performance Matrix and actual performance achieved. On the Vesting Date following such termination of employment, the Committee shall determine, in its sole discretion, whether the Grantee shall vest in either (A) the full number of Restricted Stock Units to which Grantee would have been entitled had such termination of employment not occurred or (B) a pro-rated portion of the Restricted Stock Units based on the number of days the Grantee was employed by the Company between the Date of Grant and the Vesting Date.

(iii) Notwithstanding the provisions of Section 2(a)(i) or 2(a)(ii), the Target Number of Restricted Stock Units covered by this Agreement (and not previously vested under Section 2(a) or forfeited under Section 3) shall immediately become vested if, prior to the applicable Vesting Date, the Grantee (A) dies or becomes permanently disabled (as determined by the Committee) while in the employ of the Company or any Subsidiary, or (B) the Grantee’s employment with the Company or any Subsidiary is terminated without Cause, or the Grantee terminates his employment with the Company or any Subsidiary for Good Reason, in each case described in (B) within the two year period immediately following a Change in Control.

(b) Adjustment of Performance Goals. If the Committee determines that a change in the business, operations, corporate structure or capital structure of the Company or any Subsidiary, the manner in which it conducts business or other events or circumstances render any of the performance goals set forth in the Performance Matrix to be unsuitable, the Committee may modify such Performance Goal or the level of achievement, in whole or in part, as the Committee deems appropriate; provided, however, that no such action may result in the loss of the otherwise available exemption of the Restricted Stock Units under Section 162(m) of the Code.

3. Forfeiture. The Restricted Stock Units that have not yet vested pursuant to Section 2(a) (and any right to unpaid Dividend Equivalents under Section 7 with respect to the Restricted Stock Units) shall be forfeited automatically without further action or notice (i) except as otherwise provided pursuant to Section 2(a)(iii), to the extent that the Performance Goal for a fiscal year has not been achieved, but only with respect to the percentage of the Target Number of Restricted Stock Units allocated to such fiscal year; or (ii) in the event the Grantee ceases to be employed by the Company or any Subsidiary other than as provided in Sections 2(a)(ii) or 2(a)(iii).

4. Payment of Restricted Stock Units.

(a) In General. Except as may be otherwise provided in this Section 4, the Company shall deliver to the Grantee (or the Grantee's estate in the event of death) the Shares underlying the vested Restricted Stock Units within sixty (60) days after the date that they become vested in accordance with Section 2.

(b) Special Payment Terms. To the extent that the Grantee's right to receive payment of the Restricted Stock Units constitutes a "deferral of compensation" within the meaning of Section 409A of the Code, then notwithstanding Section 4(a), the Shares underlying the Restricted Stock Units that become vested pursuant to Sections 2(a)(ii) or 2(a)(iii), if any, shall be subject to the following rules:

(i) Except as provided in Section 4(b)(ii), the Shares underlying the Restricted Stock Units that become vested pursuant to Section 2(a)(iii) shall be delivered to the Grantee (or the Grantee's estate in the event of death) within sixty (60) days after the earlier of (x) the Grantee's "separation from service" within the meaning of Section 409A of the Code; or (y) the Vesting Date.

(ii) If the Restricted Stock Units would otherwise become payable as a result of Section 4(b)(i)(x) and the Grantee is a "specified employee" at that time within the meaning of Section 409A of the Code (as determined pursuant to Company's policy for identifying specified employees), then to the extent required to comply with Section 409A of the Code, payment of the Restricted Stock Units shall not be made as described in Section 4(b)(i) and instead: (x) in the case of a separation from service pursuant to Section 2(a)(iii)(A) the Shares shall be delivered to the Grantee within sixty (60) days after the first business day that is more than six months after the date of his or her separation from service

or, if the Grantee dies during such six-month period, within ninety (90) days after the Grantee's death (such date the "409A Settlement Date") and (y) in the case of a separation from service pursuant to Section 2(a)(iii)(B) payment of the Restricted Stock Units shall be made on the 409A Settlement Date in cash (in lieu of payment in Shares) with a value equal to the number of Shares that otherwise would have been paid multiplied by the Market Value per Share as of the date of such separation from service, together with interest from the date of such separation from service until the 409A Settlement Date at the applicable Federal short-term rate, compounded semi-annually, in effect under 1274(d) of the Code as of the date of such separation from service.

(iii) If the Restricted Stock Units would otherwise become payable as a result of Grantee's "separation from service" within the meaning of Section 409A of the Code pursuant to Section 2(a)(ii), and the Grantee is a "specified employee" at that time within the meaning of Section 409A of the Code (as determined pursuant to Company's policy for identifying specified employees), then to the extent required to comply with Section 409A of the Code, payment of the Restricted Stock Units shall not be made as otherwise described in this Agreement; instead the Shares shall be delivered to the Grantee the later of (x) the 409A Settlement Date and (y) the date the payment of the Restricted Stock Units would have otherwise been made under this Agreement.

(c) Satisfaction of the Company's Obligations. The Company's obligations with respect to the Restricted Stock Units shall be satisfied in full upon the delivery of the Shares underlying the Vested Restricted Stock Units or the cash payment described in Section 4(b)(ii)(y).

5. Transferability. The Restricted Stock Units or the right to the cash payment described in Section 4(b)(ii)(y) may not be sold, exchanged, assigned, transferred, pledged, encumbered or otherwise disposed of by the Grantee, unless otherwise provided under the Plan. Any purported transfer or encumbrance in violation of the provisions of this Section 5 shall be void, and the other party to any such purported transaction shall not obtain any rights to or interest in such Restricted Stock Units or cash payment right.

6. No Dividend, Voting or Other Rights. The Grantee shall not possess any incidents of ownership (including, without limitation, dividend and voting rights) in the Common Shares underlying the Restricted Stock Units credited to his or her account until such Common Shares have been delivered to the Grantee in accordance with Section 4. The obligations of the Company under this Agreement will be merely that of an unfunded and unsecured promise of the Company to deliver Common Shares or cash as the case may be (and pay Dividend Equivalents as defined in Section 7) in the future, and the rights of the Grantee will be no greater than that of an unsecured general creditor. No assets of the Company or any Subsidiary will be held or set aside as security for the obligations of the Company under this Agreement.

7. Dividend Equivalents. Upon payment of a vested Restricted Stock Unit, the Grantee shall be entitled to a cash payment equal to the aggregate cash dividends declared and paid or payable with respect to one (1) Common Share for each record date that occurs during the period beginning on the Date of Grant and ending on the date the vested Restricted Stock Unit is paid or, in the case of a separation from service pursuant to Section 2(a)(iii), the date of the separation from service (the "Dividend Equivalent"). The Dividend Equivalents shall be forfeited to the extent that the underlying Restricted Stock Unit is forfeited and shall be paid to the Grantee, if at all, at the same time that the related vested Restricted Stock Unit is paid to the Grantee in accordance with Section 4.

8. Continuous Employment. For purposes of this Agreement, the continuous employment of the Grantee with the Company or any Subsidiary shall not be deemed to have been interrupted, and the Grantee shall not be deemed to have ceased to be an employee of the Company or any Subsidiary, by reason of the transfer of his or her employment among the Company and any Subsidiary, or a leave of absence approved by the Committee.

9. No Employment Contract; Disclaimer. Nothing contained in this Agreement shall confer upon the Grantee any right with respect to continuance of employment by the Company or any Subsidiary, nor limit or affect in any manner the right of the Company and any Subsidiary to terminate the employment or adjust the compensation of the Grantee, in each case with or without Cause. By acceptance of this Agreement, the Grantee acknowledges and agrees that neither this Agreement nor any other agreement awarded prior to the date hereof under any equity compensation plan of the Company or its Subsidiaries has created or shall create, or be deemed or construed to create or have created, (i) a contractual, equitable, or other right to receive future grants of equity awards, or other benefits in lieu of equity awards, or (ii) a fiduciary duty or other comparable duty of trust or confidence owed to the Grantee (or any successor, assign, affiliate or family member of the Grantee) by the Company and its affiliates and its respective officers, directors, employees, agents or contractors.

10. Relation to Other Benefits. Any economic or other benefit to the Grantee under this Agreement or the Plan shall not be taken into account in determining any benefits to which the Grantee may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company or any Subsidiary and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company or any Subsidiary.

11. Taxes and Withholding. The Grantee is responsible for any federal, state, local or other taxes with respect to the Restricted Stock Units (including the vesting of the Restricted Stock Units, the receipt of Common Shares or cash and the receipt of Dividend Equivalents). The Company does not guarantee any particular tax treatment or results in connection with the grant or vesting of the Restricted Stock Units, the delivery of Common Shares or cash or the payment of Dividend Equivalents. To the extent the Company or any Subsidiary of the Company is required to withhold any federal, state, local, foreign or other taxes in connection with the delivery of Common Shares or cash under this Agreement, the Grantee shall pay the tax or make provisions that are satisfactory to the Company or such Subsidiary for the payment thereof. The Grantee may elect (on a form provided by the Company) for the Company or any Subsidiary (as applicable) to retain a number of Common Shares otherwise deliverable hereunder (to the extent any cash otherwise payable is insufficient) with a value equal to the required withholding (based on the Market Value of the Common Shares on the date of delivery) in order to satisfy the withholding obligation; provided that in no event shall the value of the Common Shares together with any cash retained exceed the minimum amount of taxes required to be withheld or such other amount that will not result in a negative accounting impact. If the Company or any Subsidiary is required to withhold any federal, state, local or other taxes at any time other than upon delivery of Common Shares or cash under this Agreement, then the Company or the Subsidiary (as applicable) shall have the right in its sole discretion to (a) require the Grantee to pay or provide for payment of the required tax withholding, or (b) deduct the required tax withholding from any amount of salary, bonus, incentive compensation or other amounts otherwise payable in cash to the Grantee (other than deferred compensation subject to Section 409A of the Code). If the Company or any Subsidiary is required to withhold any federal, state, local or other taxes with respect to Dividend Equivalents, then the Company or Subsidiary (as applicable) shall have the right in its sole discretion to reduce the cash payment related to the Dividend Equivalent by the applicable tax withholding.

12. Compliance with Law. The Company shall make reasonable efforts to comply with all applicable federal and state securities laws and listing requirements of the NASDAQ or any national securities exchange with respect to the Restricted Stock Units; provided, however, notwithstanding any other provision of this Agreement, the Restricted Stock Units shall not be delivered if the delivery thereof would result in a violation of any such law or listing requirement.

13. Amendments. Subject to the terms of the Plan, the Committee may modify this Agreement upon written notice to the Grantee. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto. Notwithstanding the

foregoing, and except as specifically provided in Section 2(b), no amendment of the Plan or this Agreement shall adversely affect the rights of the Grantee under this Agreement regarding vested Restricted Share Units under the Plan and this Agreement without the Grantee's consent.

14. **Severability.** In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

15. **Claw-Back Policy.** Notwithstanding any provision contained herein to the contrary, this Agreement, the Restricted Stock Units and any Common Shares that the Grantee may receive pursuant to this Agreement, are subject to the Communications Sales & Leasing, Inc. Claw-Back Policy then in affect (the "Policy"), and the Claw-Back Policy Acknowledgement and Agreement that the Grantee signed in accordance with the Policy (the "Claw-Back Agreement").

16. **Relation to Plan.** This Agreement is subject to the terms and conditions of the Plan. This Agreement, the Policy, the Claw-Back Agreement and the Plan contain the entire agreement and understanding of the parties with respect to the subject matter contained in this Agreement, and supersede all prior written or oral communications, representations and negotiations in respect thereto. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern. Capitalized terms used herein without definition shall have the meanings assigned to them in the Plan. The Committee acting pursuant to the Plan, as constituted from time to time, shall, except as expressly provided otherwise herein, have the right to determine any questions which arise in connection with the grant of the Restricted Stock Units.

17. **Successors and Assigns.** Without limiting Section 5, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company and its affiliates.

18. **Governing Law.** The interpretation, performance, and enforcement of this Agreement shall be governed by the laws of the State of Maryland, without giving effect to the principles of conflict of laws thereof.

19. **Electronic Delivery.** The Grantee hereby consents and agrees to electronic delivery of any documents that the Company may elect to deliver (including, but not limited to, prospectuses, prospectus supplements, grant or award notifications and agreements, account statements, annual and quarterly reports, and all other forms of communications) in connection with this and any other award made or offered under the Plan. The Grantee understands that, unless earlier revoked by the Grantee by giving written notice to the Secretary of the Company, this consent shall be effective for the duration of the Agreement. The Grantee also understands that he or she shall have the right at any time to request that the Company deliver written copies of any and all materials referred to above at no charge. The Grantee hereby consents to any and all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents that the Company may elect to deliver, and agrees that his or her electronic signature is the same as, and shall have the same force and effect as, his or her manual signature. The Grantee consents and agrees that any such procedures and delivery may be effected by a third party engaged by the Company or any Subsidiary to provide administrative services related to the Plan.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its duly authorized officer and the Grantee has also executed this Agreement, as of the Date of Grant.

COMMUNICATIONS SALES & LEASING, INC.

By: Kenny Gunderman
Title: President and CEO

By clicking the **[I Accept]** button, the Grantee hereby acknowledges that a copy of the Plan, Plan Summary and Prospectus and the Company's most recent Annual Report and Proxy Statement (the "Prospectus Information") are available for viewing on the Company's intranet site at [web address]. The Grantee hereby consents to receiving this Prospectus Information electronically, or, in the alternative, agrees to contact [name and phone number] to request a paper copy of the Prospectus Information at no charge. The Grantee represents that he or she is familiar with the terms and provisions of the Prospectus Information and hereby accepts the award of Restricted Shares on the terms and conditions set forth herein and in the Plan. These terms and conditions constitute a legal contract that will bind both you and the Company as soon as you click the **[I Accept]** button.

**COMMUNICATIONS SALES & LEASING, INC.
2015 EQUITY INCENTIVE PLAN**

**RESTRICTED SHARES AGREEMENT - TIME-BASED VESTING ONLY
[Non-Employee Directors]**

Summary of Restricted Share Grant

Communications Sales & Leasing, Inc., a Maryland corporation (the “Company”), grants to the Grantee named below, in accordance with the terms of the Communications Sales & Leasing, Inc. 2015 Equity Incentive Plan (the “Plan”) and this Restricted Shares Agreement (the “Agreement”), the following number of Restricted Shares (the “Restricted Shares”), on the Date of Grant set forth below:

Name of Grantee: _____
 Number of Restricted Shares: _____
 Date of Grant: _____

Terms of Agreement

1. Grant of Restricted Shares. Subject to and upon the terms, conditions, and restrictions set forth in this Agreement and in the Plan, the Company hereby grants to the Grantee as of the Date of Grant, the total number of Restricted Shares set forth above. The Restricted Shares shall be fully paid and nonassessable.

2. Vesting of Restricted Shares.

(a) The Restricted Shares shall vest and become nonforfeitable if the Grantee shall have continued to serve on the Board through the vesting dates set forth below with respect to the percentage of Restricted Shares set forth next to such date:

Vesting Date	Percentage of Restricted Shares Vesting on such Vesting Date

(b) Notwithstanding the provisions of Section 2(a), all of the Restricted Shares covered by this Agreement shall immediately become vested and nonforfeitable if, during the vesting period, (i) the Grantee dies or suffers a Disability while serving on the Board, or (ii) a Change of Control occurs while the Grantee was serving on the Board.

(c) Notwithstanding anything contained in this Agreement to the contrary, the Committee may, in its sole discretion, accelerate the time at which the Restricted Shares become vested and nonforfeitable on such terms and conditions as it deems appropriate.

3. Forfeiture of Shares. The Restricted Shares that have not yet vested pursuant to Section 2 (including without limitation any cash dividends and non-cash proceeds related to the Restricted Shares for which the record date occurs on or after the date of forfeiture) shall be forfeited automatically without further action or notice if the Grantee ceases to be a Director other than as provided in Section 2(b). In the event of a forfeiture of the Restricted Shares, the stock book entry account representing such Restricted Shares covered by this Agreement shall be cancelled and all such Restricted Shares shall be returned to the Company.

4. Transferability. The Restricted Shares may not be sold, exchanged, assigned, transferred, pledged, encumbered or otherwise disposed of by the Grantee, except to the Company, until the Restricted Shares have become nonforfeitable as provided in Section 2. Any purported transfer or encumbrance in violation of the provisions of this Section 4 shall be void, and the other party to any such purported transaction shall not obtain any rights to or interest in such Restricted Shares. The Committee, in its sole discretion, when and as is permitted by the Plan, may waive the restrictions on transferability with respect to all or a portion of the Restricted Shares, provided that any permitted transferee (other than the Company) shall remain subject to all the terms and conditions applicable to the Restricted Shares prior to such transfer.

5. Dividend, Voting and Other Rights. Except as otherwise provided herein, from and after the Date of Grant, the Grantee shall have all of the rights of a stockholder with respect to the Restricted Shares, including the right to vote the Restricted Shares and receive any cash dividends that may be paid thereon (which such dividends shall be paid no later than the end of the calendar year in which the dividends are paid to the holders of the Common Shares or, if later, the 15th day of the third month following the date the dividends are paid to the holders of the Common Shares); provided, however, that any additional Common Shares or other securities that the Grantee may become entitled to receive pursuant to a stock dividend, stock split, combination of shares, recapitalization, merger, consolidation, separation or reorganization or any other change in the capital structure of the Company shall be considered Restricted Shares and shall be subject to the same restrictions as the Restricted Shares covered by this Agreement. Any cash dividends paid with respect to the Restricted Shares shall be reported on the Grantee's Form 1099 as compensation.

6. Custody of Restricted Shares; Stock Power. Until the Restricted Shares have become vested and nonforfeitable as provided in Section 2, the Restricted Shares shall be issued in book-entry only form and shall not be represented by a certificate. The restrictions set forth in this Agreement shall be reflected on the stock transfer records maintained by or on behalf of the Company. By execution of this Agreement and effective until the Restricted Shares have become vested and nonforfeitable as provided in Section 2, the Grantee hereby irrevocably constitutes and appoints a person or persons of the Company's choosing, or any of them, attorneys-in-fact to transfer the Restricted Shares on the stock transfer records of the Company with full power of substitution. The Grantee agrees to take any and all other actions (including without limitation executing, delivering, performing and filing such other agreements, instruments and documents) as the Company may deem necessary or appropriate to carry out and give effect to the provisions of this Agreement.

7. No Right to Reelection. Nothing contained in this Agreement shall confer upon the Grantee any right to be nominated for reelection by the Company's stockholders, or any right to remain a member of the Board for any period of time or at any particular rate of compensation.

8. Taxes and Withholding. The Grantee is responsible for any federal, state, local or other taxes with respect to the Restricted Shares (including the grant, the vesting, the receipt of Common Shares, the sale of Common Shares and the receipt of dividends, if any). The Company does not guarantee any particular tax treatment or results in connection with the grant or vesting of the Restricted Shares or the payment of dividends. If the Company or any Subsidiary is required to withhold any federal,

state, local or other taxes in connection with the delivery or vesting of the Restricted Shares, the Grantee shall pay the tax or make provisions that are satisfactory to the Company or such Subsidiary for the payment thereof. The Grantee may elect to satisfy all or any portion of any such withholding obligation by surrendering to the Company or such Subsidiary a portion of the Common Shares that become vested and nonforfeitable hereunder, and the Common Shares so surrendered by the Grantee shall be credited against any such withholding obligation at the Market Value per Share of such Common Shares on the date of such surrender.

9. Section 83(b) Election Prohibited. As a condition to receiving this award, the Grantee acknowledges and agrees that he or she shall not file an election under Section 83(b) of the Code with respect to all or any portion of the Restricted Shares.

10. Compliance with Law. The Company shall make reasonable efforts to comply with all applicable federal and state securities laws and listing requirements of the NASDAQ or any national securities exchange with respect to the Restricted Shares; provided, however, notwithstanding any other provision of this Agreement, the Restricted Shares shall not be delivered or become vested if the delivery or vesting thereof would result in a violation of any such law or listing requirement.

11. Amendments. Subject to the terms of the Plan, the Committee may modify this Agreement upon written notice to the Grantee. Any amendment to the Plan shall be deemed to be an amendment to this Agreement to the extent that the amendment is applicable hereto. Notwithstanding the foregoing, no amendment of the Plan or this Agreement shall adversely affect the rights of the Grantee under this Agreement without the Grantee's consent.

12. Severability. In the event that one or more of the provisions of this Agreement shall be invalidated for any reason by a court of competent jurisdiction, any provision so invalidated shall be deemed to be separable from the other provisions hereof, and the remaining provisions hereof shall continue to be valid and fully enforceable.

13. Relation to Plan. This Agreement is subject to the terms and conditions of the Plan. This Agreement and the Plan contain the entire agreement and understanding of the parties with respect to the subject matter contained in this Agreement, and supersede all prior written or oral communications, representations and negotiations in respect thereto. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern. Capitalized terms used herein without definition shall have the meanings assigned to them in the Plan. The Committee acting pursuant to the Plan, as constituted from time to time, shall, except as expressly provided otherwise herein, have the right to determine any questions which arise in connection with the grant of the Restricted Shares.

14. Successors and Assigns. Without limiting Section 4, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, administrators, heirs, legal representatives and assigns of the Grantee, and the successors and assigns of the Company.

15. Governing Law. The interpretation, performance, and enforcement of this Agreement shall be governed by the laws of the State of Maryland, without giving effect to the principles of conflict of laws thereof.

16. Electronic Delivery. The Grantee hereby consents and agrees to electronic delivery of any documents that the Company may elect to deliver (including, but not limited to, prospectuses, prospectus supplements, grant or award notifications and agreements, account statements, annual and quarterly reports, and all other forms of communications) in connection with this and any other award made or offered under the Plan. The Grantee understands that, unless earlier revoked by the Grantee by

giving written notice to the Secretary of the Company, this consent shall be effective for the duration of the Agreement. The Grantee also understands that he or she shall have the right at any time to request that the Company deliver written copies of any and all materials referred to above at no charge. The Grantee hereby consents to any and all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents that the Company may elect to deliver, and agrees that his or her electronic signature is the same as, and shall have the same force and effect as, his or her manual signature. The Grantee consents and agrees that any such procedures and delivery may be effected by a third party engaged by the Company to provide administrative services related to the Plan.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed on its behalf by its duly authorized officer and the Grantee has also executed this Agreement, as of the Date of Grant.

COMMUNICATIONS SALES & LEASING, INC.

By: _____
Name: Kenny Gunderman
Title: President and CEO

The undersigned hereby acknowledges that a copy of the Plan, Plan Summary and Prospectus, and the Company's most recent Annual Report and Proxy Statement (the "Prospectus Information") are available for viewing on the Company's intranet site at [website]. The Grantee hereby consents to receiving this Prospectus Information electronically, or, in the alternative, agrees to contact [name and phone number] to request a paper copy of the Prospectus Information at no charge. The Grantee represents that he or she is familiar with the terms and provisions of the Prospectus Information and hereby accepts the award of Restricted Shares on the terms and conditions set forth herein and in the Plan.

Grantee
Date: _____