

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
COMMUNICATIONS SALES & LEASING, INC.		46-5230630	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
MARK WALLACE	(501) 850-0820	MARK.WALLACE@CSLREIT.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
10802 EXECUTIVE CENTER DRIVE, BENTON BUILDING SUITE 300		LITTLE ROCK, AR 72211	
8 Date of action		9 Classification and description	
07/15/2015, 10/15/2015		COMMON STOCK	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
20341J104	N/A	CSAL	N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ Communications Sales & Leasing, Inc. ("CS&L") made cash distributions to its common stockholders during 2015 as follows:

July 15, 2015	\$0.4418/share	
October 15, 2015	\$0.6000/share	

A portion of each distribution constitutes a return of capital.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ Of the distributions paid during 2015, 16.125% are to be treated as return of capital. The portion of the distributions that constitute a return of capital will decrease the shareholder's basis in their CS&L shares.

Date of Distribution	Distribution per share	Return of Capital per share
July 15, 2015	\$0.4418	\$0.0712
October 15, 2015	\$0.6000	\$0.0968

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ Distributions made during 2015 were in excess of earnings and profits. The amount that exceeds earnings and profits is considered a return of capital.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC Section 301(c)(2)

18 Can any resulting loss be recognized? ▶ No

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The changes being reported here impact distributions that were made during the calendar year 2015; consequently, the reportable year is 2015. Stockholders should consult with their Tax Advisor to determine how they should treat the return of capital portion of the distributions they received during 2015 as it relates to their individual circumstances.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶ _____ Date ▶ _____

Print your name ▶ Mark Wallace Title ▶ _____

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Brooke Sikes				
	Firm's name ▶ <u>Ernst & Young U.S. LLP</u>	Firm's EIN ▶ <u>34-6565596</u>		Phone no. <u>214-969-8000</u>	
	Firm's address ▶ <u>2323 Victory Avenue, Suite 2000 Dallas, TX 75219</u>				