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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2014

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from_____to _____

Commission File No. 0-15279

GENERAL COMMUNICATION, INC.

(Exact name of registrant as specified in its charter)

State of Alaska	**92-0072737**
(State or other jurisdiction of incorporation or organization)	(I.R.S Employer Identification No.)
2550 Denali Street Suite 1000 Anchorage, Alaska	**99503**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (907) 868-5600
Securities registered pursuant to Section 12(b) of the Act: Class A common stock
Securities registered pursuant to Section 12(g) of the Act: Class B common stock

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (section 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☒
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

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

The aggregate market value of the voting stock held by non-affiliates of the registrant, computed by reference to the average high and low prices of such stock as of the close of trading as of the last business day of the registrant's most recently completed second fiscal quarter of June 30, 2014 was $206,250,223. Shares of voting stock held by each officer and director and by each person who owns 5% or more of the outstanding voting stock (as publicly reported by such persons pursuant to Section 13 and Section 16 of the Exchange Act) have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

The number of shares outstanding of the registrant's common stock as of March 2, 2015, was:

Class A common stock – 38,524,000 shares; and
Class B common stock – 3,159,000 shares.

GENERAL COMMUNICATION, INC.
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Cautionary Statement Regarding Forward-Looking Statements

You should carefully review the information contained in this Annual Report, but should particularly consider any risk factors that we set forth in this Annual Report and in other reports or documents that we file from time to time with the Securities and Exchange Commission ("SEC"). In this Annual Report, in addition to historical information, we state our future strategies, plans, objectives or goals and our beliefs of future events and of our future operating results, financial position and cash flows. In some cases, you can identify those so-called "forward-looking statements" by words such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "project," or "continue" or the negative of those words and other comparable words. All forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance, achievements, plans and objectives to differ materially from any future results, performance, achievements, plans and objectives expressed or implied by these forward-looking statements. In evaluating those statements, you should specifically consider various factors, including those identified under "Risk Factors," and elsewhere in this Annual Report. Those factors may cause our actual results to differ materially from any of our forward-looking statements. For these forward-looking statements, we claim the protection of the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995.

You should not place undue reliance on any such forward-looking statements. Further, any forward-looking statement, and the related risks, uncertainties and other factors speak only as of the date on which they were originally made and we expressly disclaim any obligation or undertaking to update or revise any forward-looking statement to reflect any change in our expectations with regard to these statements or any other change in events, conditions or circumstances on which any such statement is based. New factors emerge from time to time, and it is not possible for us to predict what factors will arise or when. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Part I

Item 1. Business

General

In this Annual Report, "we," "us," "our," "GCI" and "the Company" refer to General Communication, Inc. and its direct and indirect subsidiaries.

GCI was incorporated in 1979 under the laws of the State of Alaska and has its principal executive offices at 2550 Denali Street, Suite 1000, Anchorage, AK 99503-2781 (telephone number 907-868-5600).

GCI is primarily a holding company and together with its direct and indirect subsidiaries, is a diversified communications provider with operations primarily in the State of Alaska.

Availability of Reports and Other Information

Our Internet website address is www.gci.com. The information on our website is not incorporated by reference in this annual report on Form 10-K. We make available, free of charge, access to our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, Proxy Statement on Schedule 14A and amendments to those materials filed or furnished pursuant to Section 13(a) or 15(d) of the Securities and Exchange Act of 1934 as soon as reasonably practicable after we electronically submit such material to the SEC.

Financial Information about Industry Segments

For financial information about our two reportable segments - Wireless and Wireline, see "Part II — Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operations." Also refer to note 10 included in "Part II — Item 8 — Consolidated Financial Statements and Supplementary Data."

Narrative Description of our Business

General

We are the largest Alaska-based communications provider as measured by revenues. We offer facilities-based wireless telephone services, data services, Internet access, video services and voice services, to residential and business customers across the state under our GCI brand. Due to the unique nature of the markets we serve, including harsh winter weather and remote geographies, our customers rely extensively on our systems to meet their communication and entertainment needs.

Since our founding in 1979 as a competitive long distance provider, we have consistently expanded our product portfolio and facilities to become the leading integrated communication services provider in our markets. Our facilities include redundant and geographically diverse digital undersea fiber optic cable systems linking our Alaska terrestrial networks to the networks of other carriers in the lower 48 contiguous states. In recent years, we expanded our efforts in wireless and presently operate the only statewide wireless network.

For the year ended December 31, 2014, we generated consolidated revenues of $910.2 million. We ended the period with 149,600 wireless subscribers, 133,200 cable modem subscribers and 135,400 basic video subscribers.

Development of our Business During the Past Fiscal Year

Agreement to Purchase Alaska Communications System Group, Inc.'s Wireless Subscriber Base and Its Interest in The Alaska Wireless Network. On December 4, 2014, we entered into an agreement with Alaska Communications Systems Group, Inc. ("ACS") to purchase its wireless subscriber base and its one-third ownership interest in The Alaska Wireless Network, LLC ("AWN") for $293.2 million, subject to possible post-closing adjustments ("Wireless Acquisition"). On February 2, 2015, we completed the Wireless Acquisition in which AWN became our wholly owned subsidiary and we will be entitled to 100% of the future cash flows from AWN. We funded the purchase with a $275.0 million Term B Loan under our Senior Credit Facility and a $75.0 million unsecured promissory note to Searchlight ALX, L.P. ("Searchlight"). See notes 6 and 15 included in "Part II - Item 8 - Consolidated Financial Statements and Supplementary Data."

You should see “Part I — Item 1. Business — Regulation” for regulatory developments.

Business Strategy

We intend to continue to increase revenues using the following strategies:

Offer Bundled Products. We believe that bundling our services significantly improves customer retention, increases revenue per customer and reduces customer acquisition expenses. Our experience indicates that our bundled customers are significantly less likely to churn, and we experience less price erosion when we effectively combine our offerings. Bundling improves our top line revenue growth, provides operating cost efficiencies that expand our margins and drives our overall business performance.

Maximize Sales Opportunities. We sell new and enhanced services and products to our existing customer base to achieve increased revenues and penetration of our services. Through close coordination of our customer service and sales and marketing efforts, our customer service representatives suggest to our customers other services they can purchase or enhanced versions of services they already purchase. Many calls into our customer service centers or visits into one of our retail stores result in sales of additional services and products.

Deliver Industry Leading Customer Service. We have positioned ourselves as a customer service leader in the Alaska communications market. We operate our own customer service department and have empowered our customer service representatives to handle most service issues and questions on a single call. We prioritize our customer services to expedite handling of our most valuable customers’ issues, particularly for our largest commercial customers. We believe our integrated approach to customer service, including service set-up, programming various network databases with the customer’s information, installation, and ongoing service, allows us to provide a customer experience that fosters customer loyalty.

Leverage Communications Operations. We continue to expand and evolve our integrated network for the delivery of our services. Our bundled strategy and integrated approach to serving our customers creates efficiencies of scale and maximizes network utilization. By offering multiple services, we are better able to leverage our network assets and increase returns on our invested capital. We periodically evaluate our network assets and continually monitor technological developments that we can potentially deploy to increase network efficiency and performance.

Expand Our Product Portfolio and Footprint in Alaska. Throughout our history, we have successfully added and expect to continue to add new products to our product portfolio. We have a demonstrated history of new product evaluation, development and deployment for our customers, and we continue to assess revenue-enhancing opportunities that create value for our customers. Where feasible and where economic analysis supports geographic expansion of our network coverage, we are currently pursuing or expect to pursue opportunities to increase the scale of our facilities, enhance our ability to serve our existing customers' needs and attract new customers. Additionally, due to the unique market conditions in Alaska, we, and in some cases our customers, participate in several federal (and to a lesser extent locally) subsidized programs designed to financially support the implementation and purchase of telecommunications services like ours in high cost areas. With these programs we have been able to expand our network into previously undeveloped areas of Alaska and, for the first time, offer comprehensive communications services in many rural parts of the state where we would not otherwise be able to construct within appropriate return-on-investment requirements.

Make Strategic Acquisitions. We have a history of making and integrating acquisitions of in-state telecommunications providers and other providers of complementary services. Our management team will continue to actively pursue and make investments that we believe fit with our strategy and networks and that enhance earnings.

Description of our Business by Reportable Segment

Overview

Our two reportable segments are Wireless and Wireline. Our Wireless segment provides wholesale wireless services to wireless carriers. Our Wireline segment offers services and products under three major customer groups as follows:

	Customer Group		
Wireline Segment Services and Products	Consumer	Business Services	Managed Broadband
Retail wireless	X	X	
Data:			
Internet	X	X	X
Data networks		X	X
Managed services		X	X
Video	X	X	
Voice:			
Long-distance	X	X	X
Local access	X	X	X

The following discussion includes information about significant services and products, sales and marketing, facilities, competition and seasonality for each of our reportable segments. For a discussion and analysis of financial condition and results of operations please see "Part II – Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operations."

Wireless Segment

Wireless segment revenues for 2014, 2013 and 2012 are summarized as follows (amounts in thousands):

	Year Ended December 31,		
	2014	2013	2012
Total Wireless segment revenues[1]	$ 269,977	197,218	124,745

[1] See "Part II — Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operations" and note 10 included in "Part II — Item 8 — Consolidated Financial Statements and Supplementary Data" for more information regarding the financial performance of our Wireless segment.

Services and Products

Our Wireless segment offers wholesale wireless services and products to wireless carriers. We provide network transport and access to our wireless network to wireless carriers. These services allow wireless carriers to provide full wireless services to their customers.

Sales and Marketing

Our Wireless segment sales and marketing efforts are primarily directed toward increasing the number of wireless carriers we serve and the number of voice and data circuits leased. We sell our wireless services primarily through direct contact marketing.

Facilities

We own statewide wireless facilities that cover most of the Alaska population providing service to urban and rural communities and we will continue to expand these networks throughout Alaska in 2015. We own a statewide wireless network that uses GSM/HSPA+, CDMA/EVDO and Long Term Evolution ("LTE"). We own Wi-Fi access points that create a Wi-Fi network branded as TurboZone in Anchorage, Fairbanks, Juneau, Kenai-Soldotna, Matanuska-Susitna Valley, and other areas of the State ("TurboZone").

Competition

Our Wireless segment competes with AT&T, Verizon, and smaller companies. We compete in the wholesale wireless market by offering competitive rates and by providing a comprehensive statewide network to meet the needs of carrier customers.

Seasonality

Wireless segment revenues derived from our carrier customers have historically been highest in the summer months because of temporary population increases attributable to tourism and increased seasonal economic activity such as construction, commercial fishing, and oil and gas activities. Our ability to implement construction projects is hampered during the winter months because of cold temperatures, snow, and short daylight hours.

Major Customer

Verizon was the only major customer of the Wireless segment in 2014. We had no Wireless segment major customers in 2013 or 2012.

Wireline Segment

Wireline segment revenues for 2014, 2013 and 2012 are summarized as follows (amounts in thousands):

	Year Ended December 31,		
	2014	2013	2012
Total Wireline segment revenues[1]	$ 640,221	614,430	585,436

[1] See "Part II — Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operations" and note 10 included in "Part II — Item 8 — Consolidated Financial Statements and Supplementary Data" for more information regarding the financial performance of our Wireline segment.

Services and Products

Our Wireline segment offers services and products to three major customer groups as follows:

- Consumer - We offer a full range of retail wireless, data, video and voice services to residential customers.

- Business Services - We offer a full range of retail wireless, data, video and voice services to businesses, governmental entities, educational institutions, and wholesale data and voice services to common carrier customers. Our products and services offered to business customers include data network services, retail wireless voice and data plans, high-speed Internet service, data center services, cloud computing, video services, voice services, and managed services. Additionally, we sell advertising on our broadcast television stations and cable network.

- Managed Broadband - We offer Internet, data network and managed services to rural schools and health organizations and regulated voice services to residential and commercial customers in rural communities primarily in Southwest Alaska.

Sales and Marketing

We offer our services directly to consumer and business customers through our call center, direct mail advertising, television advertising, Internet advertising, local media advertising, and through our retail stores. Our sales efforts are primarily directed toward increasing the number of subscribers we serve, selling bundled services, and generating incremental revenues through product and feature up-sell opportunities. We sell our managed services through direct contact marketing.

Facilities

We operate a modern, competitive communications network providing switched and dedicated voice and broadband services. Our fiber network employs digital transmission technology over our fiber optic facilities within Alaska and between Alaska and the lower 48 states. Our facilities include digital undersea fiber optic cable systems linking our Alaska terrestrial networks to the networks of other carriers in the lower 48 states, a terrestrial fiber optic cable system connecting Anchorage and Fairbanks, Alaska and a terrestrial fiber optic cable system that extends from Prudhoe Bay, Alaska to Valdez, Alaska via Fairbanks, Alaska.

We serve many rural and remote Alaska locations solely via satellite communications. Each of our satellite transponders is backed up on alternate spacecraft with multiple backup transponders. We operate a hybrid fiber optic cable and digital microwave system (“TERRA”) linking Anchorage with the Bristol Bay, Yukon-Kuskokwim, and northwest regions of the state.

Our video businesses are located throughout Alaska and serve 30 communities and areas in Alaska, including the state’s five largest population centers, Anchorage, Fairbanks, the Matanuska-Susitna Valley, the Kenai Peninsula, and Juneau. Our facilities include cable plant and head-end distribution equipment. The majority of our locations on the fiber routes are served from head-end distribution equipment in Anchorage. All of our cable systems are completely digital.

Our dedicated Internet access and Internet protocol/MPLS data services are delivered to an Ethernet port located at the service point. Our management platform constantly monitors this port and continual communications are maintained with all of the core and distribution elements in the network. The availability and quality of service, as well as statistical information on traffic loading, are continuously monitored for quality assurance. The management platform has the capability to remotely access routers, servers and layer two switches, permitting changes in configuration without the need to physically be at the service point. This management platform allows us to offer network monitoring and management services to businesses and governmental entities.

Competition

We operate in intensely competitive industries and compete with a growing number of companies that provide a broad range of communication, entertainment and information products and services. Technological changes are further intensifying and complicating the competitive landscape and consumer behavior.

Retail Wireless Services and Products Competition

We compete with AT&T, Verizon, and other community or regional-based wireless providers, and resellers of those services in Anchorage and other markets. Regulatory policies favor robust competition in wireless

markets. Wireless local number portability helps to maintain a high level of competition in the industry because it allows subscribers to switch carriers without having to change their telephone numbers.

The communications industry continues to experience significant technological changes, as evidenced by the increasing pace of improvements in the capacity and quality of digital technology, shorter cycles for new products and enhancements and changes in consumer preferences and expectations. Accordingly, we expect competition in the wireless communications industry to continue to be dynamic and intense as a result of the development of new technologies, services and products.

The national wireless carriers with whom we compete, AT&T and Verizon, have resources that are greater than ours. These companies have significantly greater capital, financial, marketing, human capital, distribution and other resources than we do. Specifically, as a regional wireless carrier we may not have immediate access to some wireless handsets that are available to these national wireless carriers.

We compete for customers based principally upon price, bundled services, the services and enhancements offered, network quality, customer service, statewide network coverage and capacity, TurboZone, the type of wireless handsets offered, and the availability of differentiated features and services. Our ability to compete successfully will depend, in part, on our marketing efforts and our ability to anticipate and respond to various competitive factors affecting the industry.

Data Services and Products Competition

The Internet industry is highly competitive, rapidly evolving and subject to constant technological change. Competition is based upon price and pricing plans, service bundles, the types of services offered, the technologies used, customer service, billing services, and perceived quality, reliability and availability. We compete with other Alaska based Internet providers and domestic, non-Alaska based providers that provide national service coverage. Several of the providers headquartered outside of Alaska have substantially greater financial, technical and marketing resources than we do.

Niche providers in the industry, both local and national, compete with certain of our Internet service products, such as web hosting, list services, and e-mail.

We expect to continue to provide, at reasonable prices and in competitive bundles, a greater variety of data services than are available through other alternative delivery sources. Additionally, we believe we offer superior technical performance and speed, and responsive community-based customer service. Increased competition, however, may adversely affect our market share and results of operations from our data services product offerings.

Presently, there are a number of competing companies in Alaska that actively sell and maintain data and voice communications systems. Our ability to integrate communications networks and data communications equipment has allowed us to maintain our market position based on customer support services rather than price competition alone. These services are blended with other transport products into unique customer solutions, including managed services and outsourcing.

Video Services and Products Competition

Our video systems face competition from services and devices that offer Internet video streaming and distribution of movies, television shows and other video programming, as well as alternative methods of receiving and distributing television signals, including DBS, digital video over telephone lines, broadband IP-based services, wireless and satellite master antenna television systems. Our video systems also face competition from potential overbuilds of our existing cable systems. The extent to which our video systems are competitive depends, in part, upon our ability to provide quality programming and other services at competitive prices.

Online video services via the Internet are a major growing source of competition for our video services. Additionally, some online video services are also beginning to produce or acquire their own original content. However, as a major Internet-provider ourselves, the competition may result in additional data service subscriber revenue to the extent we grow average Internet revenue per subscriber.

We believe that the greatest source of external competition for our video services comes from the DBS industry. Two major companies, DIRECTV and DISH DBS Corporation, are currently offering high-power DBS services in Alaska.

Competitive forces will be counteracted by offering expanded programming through digital services. Digital delivery technology is being utilized in all of our systems. We have retransmission agreements with various broadcasters and provide for the uplink/downlink of their signals into certain of our systems, and local programming for our customers. Additionally, our acquisition of television stations provides us the opportunity to create unique content for our subscribers.

Video systems generally operate pursuant to franchises granted on a non-exclusive basis. The 1992 Cable Act gives local franchising authorities jurisdiction over basic video service rates and equipment in the absence of “effective competition.” The 1992 Cable Act also prohibits franchising authorities from unreasonably denying requests for additional franchises and permits franchising authorities to operate video systems. Well-financed businesses from outside the video industry may become competitors for franchises or providers of competing services.

We expect to continue to provide, at reasonable prices and in competitive bundles, a greater variety of video services than are available off-air or through other alternative delivery sources. Additionally, we believe we offer superior technical performance and responsive community-based customer service. Increased competition, however, may adversely affect our market share and results of operations from our video services product offerings.

Voice Services and Products Competition

Our most significant competition for local access and long-distance comes from wireless substitution and voice over Internet protocol services. Wireless local number portability allows consumers to retain the same phone number as they change service providers allowing for interchangeable and portable fixed-line and wireless numbers. A growing number of consumers now use wireless service as their primary voice phone service for local calling. We also compete against Incumbent Local Exchange Carriers ("ILECs"), long-distance resellers and certain smaller rural local telephone companies for local access and long-distance. We have competed by offering what we believe is excellent customer service, cross product discounts, and by providing desirable bundles of services.

See “Regulation — Wireline Voice Services and Products” below for more information.

Seasonality

Our Wireline segment services and products do not exhibit significant seasonality. Our ability to implement construction projects is hampered during the winter months because of cold temperatures, snow and short daylight hours.

Major Customer

We had no Wireline segment major customers in 2014, 2013 or 2012.

Sales and Marketing – Company-wide

Our sales and marketing strategy hinges on our ability to leverage (i) our unique position as an integrated provider of multiple communications, Internet and video services, (ii) our well-recognized and respected brand names in the Alaskan marketplace and (iii) our leading market positions in the services and products we offer. By continuing to pursue a marketing strategy that takes advantage of these characteristics, we believe we can increase our customer market penetration and retention rates, increase our share of our customers’ aggregate voice, video, data and wireless services expenditures and achieve continued growth in revenues and operating cash flow.

Environmental Regulations

We undertake activities that may, under certain circumstances, affect the environment. Accordingly, they may be subject to federal, state, and local laws designed to preserve or protect the environment, including the Clean Water Act and the Emergency Planning and Community Right-to-Know Act. The Federal Communications Commission ("FCC"), Bureau of Land Management, U.S. Forest Service, U.S. Fish and Wildlife Service, U.S. Army Corps of Engineers, and National Park Service are among the federal agencies required by the National Environmental Policy Act of 1969 to consider the environmental impact of actions they authorize, including facility construction.

The principal effect of our facilities on the environment would be in the form of construction of facilities and networks at various locations in Alaska and between Alaska, Washington, and Oregon. Our facilities have been constructed in accordance with federal, state and local building codes and zoning regulations whenever and wherever

applicable. Some facilities may be on wetlands that may be subject to state and/or federal regulation. We obtain federal, state, and local permits, as required, for our projects and operations. We are unaware of any material violations of federal, state or local regulations or permits.

Patents, Trademarks, and Licenses

We do not hold patents, franchises (with the exception of video services as described below) or concessions for communications services or local access services. We hold a number of federally registered service marks used by our reportable segments. The Communications Act of 1934, as amended, gives the FCC the authority to license and regulate the use of the electromagnetic spectrum for radio communications. We hold licenses for our satellite and microwave transmission facilities for provision of long-distance services provided by our Wireline segment. We hold various licenses for spectrum and broadcast television use. These licenses may be revoked and license renewal applications may be denied for cause. However, we expect these licenses to be renewed in due course when, at the end of the license period, a renewal application will be filed.

We hold licenses for earth stations that are generally licensed for fifteen years. The FCC also issues a single blanket license for a large number of technically identical earth stations. Our operations may require additional licenses in the future.

We are certified through the Regulatory Commission of Alaska ("RCA") to provide video service by Certificates of Public Convenience and Necessity (“CPCN”). These CPCNs are nonexclusive certificates defining each authorized service area. Although CPCNs have no stated expiration date, they may be revoked due to cause.

Regulation

Our businesses are subject to substantial government regulation and oversight. The following summary of regulatory issues does not purport to describe all existing and proposed federal, state, and local laws and regulations, or judicial and regulatory proceedings that affect our businesses. Existing laws and regulations are reviewed frequently by legislative bodies, regulatory agencies, and the courts and are subject to change. We cannot predict at this time the outcome of any present or future consideration of proposed changes to governing laws and regulations.

Wireless Services and Products

General. The FCC regulates the licensing, construction, interconnection, operation, acquisition, and transfer of wireless network systems in the United States pursuant to the Communications Act. As wireless licensees, we are subject to regulation by the FCC, and must comply with certain build-out and other license conditions, as well as with the FCC’s specific regulations governing wireless services. The FCC does not currently regulate rates for services offered by commercial mobile radio service providers (the official legal description for wireless service providers).

Commercial mobile radio service wireless systems are subject to Federal Aviation Administration and FCC regulations governing the location, lighting, construction, modification, and registration of antenna structures on which our antennas and associated equipment are located and are also subject to regulation under federal environmental laws and the FCC’s environmental regulations, including limits on radio frequency radiation from wireless handsets and antennas on towers.

Universal Service. The High Cost Program of the Universal Service Fund ("USF") pays Eligible Telecommunications Carriers ("ETCs") to support the provision of facilities-based wireless telephone service in high cost areas. A wireless carrier may seek ETC status so that it can receive support from the USF. Under FCC regulations and RCA orders, we are an authorized ETC for purposes of providing wireless telephone service in Anchorage, Juneau, Fairbanks, and the Matanuska Telephone Association, Inc. ("MTA") study area (which includes the Matanuska-Susitna Valley) and other small areas throughout Alaska. Without ETC status, we would not qualify for USF support in these areas or other rural areas where we propose to offer facilities-based wireless telephone services, and our net cost of providing wireless telephone services in these areas would be materially adversely affected.

On November 29, 2011, the FCC released rules reforming the methodology for distributing USF high cost support for voice and broadband services, as well as the access charge regime for terminating traffic between carriers. Support for competitive eligible telecommunications carriers (“CETCs”) serving areas that generally include Anchorage, Fairbanks, and Juneau followed national reforms and had support per provider per service area

capped as of January 1, 2012, and a five-step phase-down commenced on July 1, 2012, which is currently frozen pending the adoption of a successor mechanism. Support to Remote Alaska locations was capped as of January 1, 2012 and is being distributed on a per-line basis until the implementation of a successor funding mechanism. A further rulemaking to consider successor funding mechanisms is underway. We cannot predict at this time the outcome of this proceeding or its effect on Remote high cost support available to us, but our revenue for providing services in these areas would be materially adversely affected by a substantial reduction of USF support.

On February 6, 2012, the FCC released its Report and Order and Further Notice of Proposed Rulemaking to comprehensively reform and modernize the USF's Lifeline program. The Lifeline program is administered by the Universal Service Administrative Company ("USAC") and is designed to ensure that quality telecommunications services are available to low-income customers at just, reasonable, and affordable rates. The order adopted several reforms, including a requirement for annual recertification of all Lifeline subscribers. Failure to correctly recertify Lifeline subscribers could materially adversely affect our Lifeline revenues and/or increase our costs in the form of FCC fines for failure to comply with Lifeline rules.

Interconnection. We have completed negotiations and the RCA has approved current direct wireless interconnection agreements with all of the major Alaska ILECs. These are in addition to indirect interconnection arrangements utilized elsewhere.

See "Description of Our Business by Reportable Segment — Regulation — Wireline Voice Services and Products — Regulatory Regime Applicable to IP-based Networks" for more information.

Emergency 911. The FCC has imposed rules requiring carriers to provide emergency 911 services, including enhanced 911 ("E911") services that provide to local public safety dispatch agencies the caller's phone number and approximate location. Providers are required to transmit the geographic coordinates of the customer's location, either by means of network-based or handset-based technologies, within accuracy parameters revised by the FCC, to be implemented over a phase-in period. Due to Alaska's relatively low population and low cell-site densities, we have excluded certain areas from E911 coverage where cell triangulation is not feasible, pursuant to FCC rule. We have also filed for a waiver, which remains pending, for remaining areas where triangulation may be technically feasible, but where the cell-site densities are insufficient to reach the FCC's standard. We have filed for a separate waiver, also pending, regarding the FCC's recently adopted text-to-911 rules due to technical limitations in our network and the inability of vendors to provide a workable solution; we expect to develop a text-to-911 technical solution during the first half of 2015. Providers may not demand cost recovery as a condition of providing E911, although they are permitted to negotiate cost recovery if it is not mandated by the state or local governments.

State and Local Regulation. While the Communications Act generally preempts state and local governments from regulating the entry of, and the rates charged by, wireless carriers, it also permits a state to petition the FCC to allow it to impose commercial mobile radio service rate regulation when market conditions fail to adequately protect customers and such service is a replacement for a substantial portion of the telephone wireline exchange service within a state. No state currently has such a petition on file, and all prior efforts have been rejected.
In addition, the Communications Act does not expressly preempt the states from regulating the "terms and conditions" of wireless service. Several states have invoked this "terms and conditions" authority to impose or propose various consumer protection regulations on the wireless industry. State attorneys general have also become more active in enforcing state consumer protection laws against sales practices and services of wireless carriers. States also may impose their own universal service support requirements on wireless and other communications carriers, similar to the contribution requirements that have been established by the FCC.

States have become more active in attempting to impose new taxes and fees on wireless carriers, such as gross receipts taxes. Where successful, these taxes and fees are generally passed through to customers and result in higher costs to customers.

At the local level, wireless facilities typically are subject to zoning and land use regulation. Neither local nor state governments may categorically prohibit the construction of wireless facilities in any community or take actions, such as indefinite moratoria, which have the effect of prohibiting construction. Nonetheless, securing state and local government approvals for new tower sites has been and is likely to continue to be difficult, lengthy and costly.

Internet-based Services and Products

General. There is no one entity or organization that governs the Internet. Each facilities-based network provider that is interconnected with the global Internet controls operational aspects of their own network. Certain functions, such as IP addressing, domain name routing, and the definition of the TCP/IP protocol, are coordinated by an array of quasi-governmental, intergovernmental, and non-governmental bodies. The legal authority of these bodies is not precisely defined.

The vast majority of users connect to the Internet over facilities of existing communications carriers. Those communications carriers are subject to varying levels of regulation at both the federal and state level. Thus, non-Internet-specific regulatory decisions exercise a significant influence over the economics of the Internet market.

Many aspects of the coordination and regulation of Internet activities and the underlying networks over which those activities are conducted are evolving. Internet-specific and non-Internet-specific changes in the regulatory environment, including changes that affect communications costs or increase competition from ILECs or other communications services providers, could adversely affect our costs and the prices at which we sell Internet-based services.

On November 20, 2011, the FCC issued rules governing the activities of cable operators and other Internet service providers in connection with the provision of Internet service. The rules applicable to cable operators and other wireline providers generally prohibited blocking lawful content and prohibiting unreasonable discrimination, outside of reasonable network management, as well as imposing transparency requirements. For wireless providers, the transparency rule and a less restrictive version of the blocking rule applied. On January 14, 2014, in a case challenging these rules, the U.S. Court of Appeals for the D.C. Circuit vacated the anti-discrimination and anti-blocking rules, upheld the transparency rules, and remanded the case to the FCC for further proceedings. The majority opinion held that the FCC possessed the general statutory authority to adopt these rules, but did so in a manner that violated specific statutory prohibitions against imposing common carrier regulations on non-telecommunications services.

On February 26, 2015, the FCC adopted an order reclassifying Internet service as a telecommunications service under Title II of the Communications Act. This order prohibits broadband providers from blocking or throttling most lawful public Internet traffic, and from engaging in paid prioritization of that traffic. The order also strengthens its transparency rules, which require accurate and truthful service disclosures, sufficient for consumers to make informed choices, for example, about speed, price and fees, latency, and network management practices. The order allows broadband providers to engage in reasonable network management, including using techniques to address traffic congestion. These rules apply equally to wired and wireless broadband services. The order refrains from applying rate regulation and tariff requirements on broadband services. While we do not believe that the FCC order conflicts with our existing practices or offerings, the order will impose regulatory burdens, likely increase our costs, and could adversely affect the manner and price of providing service.

Video Services and Products

General. Because video communications systems use local streets and rights-of-way, they generally are operated pursuant to franchises (which can take the form of certificates, permits or licenses) granted by a municipality or other state or local government entity. The RCA is the franchising authority for all of Alaska. We believe that we have generally met the terms of our franchises, which do not require periodic renewal, and have provided quality levels of service. Military franchise requirements also affect our ability to provide video services to military bases.

The RCA is also certified under federal law to regulate rates for the basic service tier on our video systems. Under state law, however, video service is exempt from regulation unless subscribers petition the RCA. At present, regulation of basic video rates takes place only in Juneau. The RCA does not regulate rates for cable modem service.

Must Carry/Retransmission Consent. The 1992 Cable Act contains broadcast signal carriage requirements that allow local commercial television broadcast stations to elect once every three years to require a cable system to carry the station, subject to certain exceptions, or to negotiate for “retransmission consent” to carry the station.

The FCC has adopted rules to require cable operators to carry the digital programming streams of broadcast television stations. Further, the FCC has declined to require any cable operator to carry multiple digital programming

streams from a single broadcast television station, but should the FCC change this policy, we would be required to devote additional cable capacity to carrying broadcast television programming streams, a step that could require the removal of other programming services.

Segregated Security for Set-top Devices. The FCC mandated, effective July 1, 2007, that all new set-top video navigation devices must segregate the security function from the navigation function. The new devices are more expensive than existing equipment, and compliance would increase our cost of providing video services. In late 2014, the President signed into law the STELA Reauthorization Act of 2014 ("STELAR"), which repeals the navigation device integrated security ban effective December 30, 2015.

AllVid Proceeding. On April 21, 2010, the FCC adopted a Notice of Inquiry to consider ways to develop a standardized interface for accessing video content, as an alternative to set-top boxes. Adoption of new rules or standards in this area could affect the manner in which we deliver video products to our customers. Pursuant to STELAR, the FCC has convened a Downloadable Security Technical Advisory Committee ("DSTAC") to consider and recommend performance objectives, technical capabilities and technical standards to promote competitive availability of navigation devices. The DSTAC report is due by September 30, 2015. We are unable to predict if the FCC will act on the report to propose concrete rules at that time.

Pole Attachments. The Communications Act requires the FCC to regulate the rates, terms and conditions imposed by public utilities for cable systems' use of utility pole and conduit space unless state authorities can demonstrate that they adequately regulate pole attachment rates. In the absence of state regulation, the FCC administers pole attachment rates on a formula basis. This formula governs the maximum rate certain utilities may charge for attachments to their poles and conduit by companies providing communications services, including cable operators. The RCA, however, does not use the federal formula and instead has adopted its own formula that has been in place since 1987. This formula could be subject to further revisions upon petition to the RCA. In addition, on April 7, 2011, the FCC adopted an order to rationalize different pole attachment rates among types of services. The United States Court of Appeals, D.C. Circuit, upheld the FCC's rules, denying challenges from several utility companies. Though the general purpose of the rule changes was to ensure pole attachment rates as low and as uniform as possible, we do not expect the rules to have an immediate impact on the terms under which we access poles. In addition, because the RCA has adopted its own formula, the FCC's reclassification of broadband service as a "telecommunications service" is not anticipated to have any near-term impact. We cannot predict the likelihood of the RCA changing its formula, adopting the federal formula, or relinquishing its oversight of pole attachments to the FCC, any of which could increase the cost of our operations.

Copyright. Cable television systems are subject to federal copyright licensing covering carriage of television and radio broadcast signals. In exchange for filing certain reports and contributing a percentage of their revenues to a federal copyright royalty pool that varies depending on the size of the system, the number of distant broadcast television signals carried, and the location of the cable system, cable operators can obtain blanket permission to retransmit copyrighted material included in broadcast signals. The possible modification or elimination of this compulsory copyright license is the subject of continuing legislative review. We cannot predict the outcome of this legislative review, which could adversely affect our ability to obtain desired broadcast programming. Copyright clearances for non-broadcast programming services are arranged through private negotiations.

Wireline Voice Services and Products

General. As an interexchange carrier, we are subject to regulation by the FCC and the RCA as a non-dominant provider of interstate, international, and intrastate long-distance services. As a state-certificated competitive local exchange carrier, we are subject to regulation by the RCA and the FCC as a non-dominant provider of local communications services. Military franchise requirements also affect our ability to provide communications services to military bases.

Universal Service. The USF pays ETCs to support the provision of facilities-based wireline telephone service in high cost areas. Under FCC regulations and RCA orders, we are an authorized ETC for purposes of providing wireline local exchange service in Anchorage, Juneau, Fairbanks, the MTA study area (which includes the Matanuska-Susitna Valley), and other small areas throughout Alaska. Without ETC status, we would not qualify for USF support in these areas or other rural areas where we propose to offer facilities-based wireline telephone services, and our net cost of providing local telephone services in these areas would be materially adversely affected. See "Description of Our Business by Reportable Segment - Regulation - Wireless Services and Products - Universal Service" for information on USF reform.

Rural Exemption and Interconnection. A Rural Telephone Company is exempt from compliance with certain material interconnection requirements under Section 251(c) of the 1996 Telecom Act, including the obligation to negotiate Section 251(b) and (c) interconnection requirements in good faith, unless and until a state regulatory commission lifts such “rural exemption” or otherwise finds it not to apply. All ILECs in Alaska are Rural Telephone Companies except ACS in its Anchorage study area. We participated in numerous proceedings regarding the rural exemptions of various ILECs, including ACS (for its Fairbanks and Juneau operating companies), MTA and Ketchikan Public Utilities, in order to achieve the necessary interconnection agreements with the remaining ILECs. In other cases the interconnection agreements were reached by negotiation without regard to the implications of the ILEC’s rural exemption.

We have completed negotiation and/or arbitration of the necessary interconnection provisions and the RCA has approved current wireline Interconnection Agreements between GCI and all of the major ILECs. We have entered all of the major Alaskan markets with local access services.

See “Description of Our Business by Reportable Segment — Consumer — Competition — Voice Services and Products Competition” for more information.

Access Charges and Other Regulated Fees. The FCC regulates the fees that local telephone companies charge long-distance companies for access to their local networks. On November 29, 2011, the FCC released rules to restructure and reduce over time originating interstate access charges, along with a proposal to adopt similar reforms applicable to terminating interstate access charges. We do not anticipate that the adopted changes, for which implementation began in 2012, will have a material impact on our operations, except that the reduction of interstate access rates generally will result in a cost savings on access charges to us. However, the details of implementation in general and between different classes of technology continue to be addressed, and they could affect the economics of some aspects of our business. We cannot predict at this time the impact of this implementation or future implementation of adopted reforms, but we do not expect it to have a material impact on our operations.

Access to Unbundled Network Elements. The ability to obtain unbundled network elements ("UNEs") is an important element of our local access services business. We cannot predict the extent to which existing FCC rules governing access to and pricing for UNEs will be changed in the face of additional legal action and the impact of any further rule modifications that are yet to be determined by the FCC. Moreover, the future regulatory classification of services that are transmitted over facilities may impact the extent to which we will be permitted access to such facilities. Changes to the applicable regulations could result in a change in our cost of serving new and existing markets.

Local Regulation. We may be required to obtain local permits for street opening and construction permits to install and expand our networks. Local zoning authorities often regulate our use of towers for microwave and other communications sites. We also are subject to general regulations concerning building codes and local licensing. The Communications Act requires that fees charged to communications carriers be applied in a competitively neutral manner, but there can be no assurance that ILECs and others with whom we will be competing will bear costs similar to those we will bear in this regard.

Regulatory Regime Applicable to IP-based Networks. On January 30, 2014, the FCC adopted an order calling for experiments to examine how best to accelerate the technological and regulatory transitions from traditional TDM-based networks to IP-based technologies. Although no entity has proposed conducting a technology transition experiment in our service territory in response to the FCC’s January 2014 order, additional proposals for experiments are possible. We cannot predict whether additional proposals for experiments might be submitted to the FCC nor any resulting proceedings or their effect on us. The FCC also has other open dockets through which it might make changes to the regulatory regime applicable to IP-based networks. A change in regulatory obligation or classification that interferes with our ability to exchange traffic with other providers, that raises the cost of doing so, or that adversely affects eligibility for USF support could materially affect our net cost of and revenue from providing local services.

Rural Health Care Program. On December 12, 2012, the FCC created the Healthcare Connect Fund to supplement the existing Rural Health Care Program of the USF. Healthcare providers can choose to participate under either the

existing Rural Health Care Program or the new Healthcare Connect Fund. We cannot predict at this time the impact of this change but we do not expect it to have a material impact on our operations.

Schools and Libraries Program. On July 11 and December 11, 2014, the FCC adopted orders modernizing the USF Schools and Libraries Program ("E-Rate"). These orders, among other things, increased the annual E-Rate cap by approximately $1.5 billion, designated funds for internal connections within schools and libraries, and eliminated funding for certain legacy services, such as voice, to increase the availability of 21st century connectivity to support digital learning in schools nationwide. We cannot at this time predict the effect of these orders on the overall E-Rate support available to our schools and libraries customers, but the elimination of funding of certain services, including video conferencing services, could materially affect our revenue from such customers.

Financial Information about our Foreign and Domestic Operations and Export Sales

We do not have significant foreign operations or export sales. We conduct our operations throughout the contiguous United States and Alaska and believe that any subdivision of our operations into distinct geographic areas would not be meaningful.

Company-Sponsored Research

We have not expended material amounts during the last three fiscal years on company-sponsored research activities.

Geographic Concentration and the Alaska Economy

We offer wireless, data and voice telecommunication services and video services to customers primarily throughout Alaska. Because of this geographic concentration, growth of our business and operations depends upon economic conditions in Alaska. The economy of Alaska is dependent upon the natural resource industries, and in particular oil production, as well as government spending, investment earnings and tourism. A long-term decrease in oil prices may impact spending by the oil and gas industry and the government, which could negatively impact our revenue. The government spending is comprised of state government and United States military spending. Any deterioration in these markets could have an adverse impact on us.

Employees

We employed 2,255 persons as of December 31, 2014, and we are not subject to any collective bargaining agreements with our employees. We believe our future success will depend upon our continued ability to attract and retain highly skilled and qualified employees. We believe that relations with our employees are satisfactory.

Other

No material portion of our business is subject to renegotiation of profits or termination of contracts at the election of the federal government.

Item 1A. Risk Factors.

Factors That May Affect Our Business and Future Results

Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business operations. Any of the following risks could materially and adversely affect our business, financial position, results of operations or liquidity.

We face competition that may reduce our market share and harm our financial performance.

There is substantial competition in the telecommunications and entertainment industries. Through mergers and various service integration strategies, major providers are striving to provide integrated communications services offerings within and across geographic markets. We face increased wireless services competition from national carriers in the Alaska market and increasing video services competition from DBS providers.

We expect competition to increase as a result of the rapid development of new technologies, services and products. We cannot predict which of many possible future technologies, products or services will be important to maintain our competitive position or what expenditures will be required to develop and provide these technologies,

products or services. Our ability to compete successfully will depend on marketing and on our ability to anticipate and respond to various competitive factors affecting the industry, including new services that may be introduced, changes in consumer preferences, economic conditions and pricing strategies by competitors. To the extent we do not keep pace with technological advances or fail to timely respond to changes in competitive factors in our industry and in our markets, we could lose market share or experience a decline in our revenue and net income. Competitive conditions create a risk of market share loss and the risk that customers shift to less profitable lower margin services. Competitive pressures also create challenges for our ability to grow new businesses or introduce new services successfully and execute our business plan. We also face the risk of potential price cuts by our competitors that could materially adversely affect our market share and gross margins.

For more information about competition by segment, see the sections titled “Competition” included in “Item 1 — Business — Description of our Business by Reportable Segment.”

If we experience low or negative rates of subscriber acquisition or high rates of turnover, our financial performance will be impaired.

We are in the business of selling communications and entertainment services to subscribers, and our economic success is based on our ability to retain current subscribers and attract new subscribers. If we are unable to retain and attract subscribers, our financial performance will be impaired. Our rates of subscriber acquisition and turnover are affected by a number of competitive factors including the size of our service areas, network performance and reliability issues, our device and service offerings, subscribers’ perceptions of our services, and customer care quality. Managing these factors and subscribers’ expectations is essential in attracting and retaining subscribers. Although we have implemented programs to attract new subscribers and address subscriber turnover, we cannot assure you that these programs or our strategies to address subscriber acquisition and turnover will be successful. A high rate of turnover or low or negative rate of new subscriber acquisition would reduce revenues and increase the total marketing expenditures required to attract the minimum number of subscribers required to sustain our business plan which, in turn, could have a material adverse effect on our business, financial condition and results of operations.

We may be unable to obtain or maintain the roaming services we need from other carriers to remain competitive.

AT&T Wireless and Verizon have national networks which enable them to offer automatic roaming services to their subscribers at a lower cost than we can offer. The networks we operate do not, by themselves, provide national coverage and we must pay fees to other carriers who provide roaming services to us. We currently rely on roaming agreements with several carriers for the majority of our roaming services. We believe that the rates charged to us by some of these carriers may be higher than the rates they charge to certain other roaming partners.

The FCC has adopted rules requiring commercial mobile radio service providers to provide automatic roaming, upon request, for voice and SMS text messaging services on just, reasonable and non-discriminatory terms. The FCC has also adopted rules generally requiring carriers to offer data roaming services. The rules do not provide or mandate any specific mechanism for determining the reasonableness of roaming rates for voice, SMS text messaging or data services and require that roaming complaints be resolved on a case-by-case basis, based on a non-exclusive list of factors that can be taken into account in determining the reasonableness of particular conduct or rates. If we were to lose the benefit of one or more key roaming or wholesale agreements unexpectedly, we may be unable to obtain similar replacement agreements and as a result may be unable to continue providing nationwide voice and data roaming services for our customers or may be unable to provide such services on a cost-effective basis. Our inability to obtain new or replacement roaming services on a cost-effective basis may limit our ability to compete effectively for wireless customers, which may increase our turnover and decrease our revenues, which in turn could materially adversely affect our business, financial condition and results of operations.

We may be unable to successfully manage the integration of the wireless subscribers acquired from ACS in the Wireless Acquisition or we may be unable to realize the anticipated synergies.

On February 2, 2015, we completed the Wireless Acquisition which included the acquisition of wireless subscribers from ACS. Our business may be negatively impacted if we are unable to effectively integrate the new wireless subscribers or recognize the expected synergies. Integration planning prior to the subscriber acquisition and the implementation of our integration plans following the subscriber acquisition will require significant time and focus

from management and may divert attention from the day-to-day operations of our other businesses. Additionally, completion of the subscriber acquisition could disrupt current plans and operations, which could delay the achievement of our strategic objectives. Integration difficulties could have an adverse effect on our business, financial condition, and results of operations.

We may be unable to realize the anticipated cost savings from the Wireless Acquisition or may incur additional and/or unexpected costs in order to realize them. Significant costs have been incurred and are expected to be incurred in connection with the Wireless Acquisition, including legal, accounting, financial advisory and other costs.

On February 2, 2015, we completed the Wireless Acquisition. We are implementing a series of cost savings initiatives that we expect to result in recurring, annual cost savings. There can be no assurance that we will realize the anticipated cost savings from the Wireless Acquisition in the anticipated amounts or within the anticipated time frames or cost expectations or at all.

These or any other cost savings that we realize may differ materially from our estimates. We cannot provide assurances that these anticipated savings will be achieved or that our programs and improvements will be completed as anticipated or at all. In addition, any cost savings that we realize may be offset, in whole or in part, by reductions in revenues or through increases in other expenses.

We expect to incur significant one-time, non-recurring costs to achieve the anticipated synergies in connection with the Wireless Acquisition. In addition, we expect to incur significant transaction fees and other costs related to the Wireless Acquisition. Additional unanticipated costs may be incurred as we integrate our new wireless subscribers. Failure to realize the expected costs savings and operating synergies and recognition of non-recurring costs related to the Wireless Acquisition could result in increased costs and have an adverse effect on our business, financial condition, and results of operations.

Our business is subject to extensive governmental legislation and regulation. Applicable legislation and regulations and changes to them could adversely affect our business, financial position, results of operations or liquidity.

Wireless Services. The licensing, construction, operation, sale and interconnection arrangements of wireless communications systems are regulated by the FCC and, depending on the jurisdiction, state and local regulatory agencies. In particular, the FCC imposes significant regulation on licensees of wireless spectrum with respect to:

- How radio spectrum is used by licensees;
- The nature of the services that licensees may offer and how such services may be offered; and
- Resolution of issues of interference between spectrum bands.

Although the Communications Act of 1934, as amended, preempts state and local regulation of market entry and the rates charged by commercial mobile radio service providers, states may exercise authority over such things as certain billing practices and consumer-related issues. These regulations could increase the costs of our wireless operations. The FCC grants wireless licenses for terms of generally ten years that are subject to renewal and revocation. FCC rules require all wireless licensees to meet certain build-out requirements and substantially comply with applicable FCC rules and policies and the Communications Act of 1934, as amended, in order to retain their licenses. Failure to comply with FCC requirements in a given license area could result in revocation of the license for that license area. There is no guarantee that our licenses will be renewed.

Commercial mobile radio service providers must implement E911 capabilities in accordance with FCC rules. While we believe that we are currently in compliance with such FCC rules, the failure to deploy E911 service consistent with FCC requirements could subject us to significant fines.

The FCC, together with the Federal Aviation Administration, also regulates tower marking and lighting. In addition, tower construction is affected by federal, state and local statutes addressing zoning, environmental protection and historic preservation. The FCC requires local notice in any community in which it is seeking FCC Antenna Structure Registration to build a tower. Local notice provides members of the community with an opportunity to comment on or challenge the tower construction for environmental reasons. This rule change could cause delay for certain tower construction projects.

Internet Services. On February 26, 2015, the FCC adopted an order reclassifying Internet service as a telecommunications service under Title II of the Communications Act. The order prohibits broadband providers from blocking or throttling most lawful public Internet traffic, and from engaging in paid prioritization of that traffic. The order also strengthens its transparency rules, which require accurate and truthful service disclosures, sufficient for consumers to make informed choices, for example, about speed, price and fees, latency, and network management practices. The order allows broadband providers to engage in reasonable network management, including using techniques to address traffic congestion. The new rules apply equally to wired and wireless broadband services. The order refrains from imposing rate regulation or tariff requirements on broadband services.

We cannot predict how the FCC will interpret or apply its new rules. In addition, although the FCC forbore from many of the provisions of Title II, we cannot predict how the FCC will interpret or apply the statutory provisions and regulations from which it did not forbear. It is possible that the FCC could interpret or apply its new rules or "Title II" statutory provisions or regulations in a way that has a material adverse effect on our business, financial position, results of operations, or liquidity. There also is a risk class action lawsuits arising under the provisions of Title II from which the FCC did not forbear could have similar negative impacts.

Proposals have been made before Congress to mandate Open Internet regulation that could supplement or supplant in whole or part the FCC's new rules. We currently cannot predict whether any such legislation will be adopted nor what impacts are most likely.

Video Services. The cable television industry is subject to extensive regulation at various levels, and many aspects of such regulation are currently the subject of judicial proceedings and administrative or legislative proposals. The law permits certified local franchising authorities to order refunds of rates paid in the previous 12-month period determined to be in excess of the reasonable rates. It is possible that rate reductions or refunds of previously collected fees may be required of us in the future. Currently, pursuant to Alaska law, the basic video rates in Juneau are the only rates in Alaska subject to regulation by the local franchising authority; the basic rates in Juneau were reviewed and approved by the RCA in July 2010.

Other existing federal regulations, currently the subject of judicial, legislative, and administrative review, could change, in varying degrees, the manner in which video systems operate. Neither the outcome of these proceedings nor their impact on the cable television industry in general, or on our activities and prospects in the cable television business in particular, can be predicted at this time. There can be no assurance that future regulatory actions taken by Congress, the FCC or other federal, state or local government authorities will not have a material adverse effect on our business, financial position, results of operations or liquidity.

Local Access Services. Our success in the local telephone market depends on our continued ability to obtain interconnection, access and related services from local exchange carriers on terms that are reasonable and that are based on the cost of providing these services. Our local telephone services business faces the risk of unfavorable changes in regulation or legislation or the introduction of new regulations. Our ability to provide service in the local telephone market depends on our negotiation or arbitration with local exchange carriers to allow interconnection to the carrier's existing local telephone network (in some Alaska markets at cost-based rates), to establish dialing parity, to obtain access to rights-of-way, to resell services offered by the local exchange carrier, and in some cases, to allow the purchase, at cost-based rates, of access to unbundled network elements. Future negotiations or arbitration proceedings with respect to new or existing markets could result in a change in our cost of serving these markets via the facilities of the ILEC or via wholesale offerings.

For more information about Regulations affecting our operations, see "Item 1 — Business — Regulation."

Loss of our ETC status would disqualify us for USF support.

The USF pays support to ETCs to support the provision of facilities-based wireline and wireless telephone service in high cost areas. If we were to lose our ETC status in any of the study areas where we are currently an authorized ETC, we would be ineligible to receive USF support for providing service in that area. Loss of our ETC status could have an adverse effect on our business, financial position, results of operations or liquidity.

Revenues and accounts receivable from USF support may be reduced or lost.

We receive support from each of the various USF programs: high cost, low income, rural health care, and schools and libraries. This support was 19%, 18%, and 18% of our revenue for the years ended December 31, 2014, 2013 and 2012, respectively. We had USF net receivables of $109.6 million and $124.3 million at December 31, 2014 and 2013, respectively. The programs are subject to change by regulatory actions taken by the FCC or legislative actions. Changes to any of the USF programs that we participate in could result in a material decrease in revenue and accounts receivable, which could have an adverse effect on our business, financial position, results of operations or liquidity.

See “Description of Our Business by Reportable Segment — Regulation — Wireless Services and Products — Universal Service” and “Description of Our Business by Reportable Segment — Regulation — Wireline Voice Services and Products — Universal Service” for more information.

Programming expenses for our video services are increasing, which could adversely affect our business.

We expect programming expenses for our video services to continue to increase in the foreseeable future. The multichannel video provider industry has continued to experience an increase in the cost of programming, especially sports programming. In addition, as we add programming to our video services or if we choose to distribute existing programming to our customers through additional delivery platforms, we may incur increased programming expenses. If we are unable to raise our customers’ rates or offset such programming cost increases through the sale of additional services, the increasing cost of programming could have an adverse impact on our business, financial condition, or results of operations. Moreover, as our contracts with content providers expire, there can be no assurance that they will be renewed on acceptable terms or that they will be renewed at all, in which case we may be unable to provide such content as part of our video services and our business could be adversely affected.

The decline in our Wireline segment voice services’ results of operations, which include long-distance and local access services, may accelerate.

We expect our Wireline voice services’ results of operations, which include long-distance and local access services, will continue to decline. As competition from wireless carriers, such as ourselves, increases we expect our long-distance and local access services' subscribers and revenues will continue to decline and the rate of decline may accelerate.

We may not be able to satisfy the requirements of our participation in a New Markets Tax Credit ("NMTC") program for funding our TERRA-NW project.

In 2011 and 2012 we entered into three separate arrangements under the NMTC program with US Bancorp to help fund various phases of our TERRA-NW project. In connection with the NMTC transactions we received proceeds which were restricted for use on TERRA-NW. The NMTCs are subject to 100% recapture of the tax credit for a period of seven years as provided in the Internal Revenue Code. We are required to be in compliance with various regulations and contractual provisions that apply to the NMTC arrangements. We have agreed to indemnify US Bancorp for any loss or recapture of its $56.0 million in NMTCs until such time as our obligation to deliver tax benefits is relieved in December 2019. Non-compliance with applicable requirements could result in projected tax benefits not being realized by US Bancorp and could have an adverse effect on our financial position, results of operations or liquidity.

Failure to complete development, testing and deployment of a new technology that supports new services could affect our ability to compete in the industry. In addition, the technology we use may place us at a competitive disadvantage.

We develop, test and deploy various new technologies and support systems intended to enhance our competitiveness by both supporting new services and features and reducing the costs associated with providing those services or features. Successful development and implementation of technology upgrades depend, in part, on the willingness of third parties to develop new applications in a timely manner. We may not successfully complete the development and rollout of new technology and related features or services in a timely manner, and they may not be widely accepted by our customers or may not be profitable, in which case we could not recover our investment in the technology. Deployment of technology supporting new service offerings may also adversely affect

the performance or reliability of our networks with respect to both the new and existing services. Any resulting customer dissatisfaction could affect our ability to retain customers and may have an adverse effect on our financial position, results of operations, or liquidity. In addition to introducing new technologies and offerings, we must phase out outdated and unprofitable technologies and services. If we are unable to do so on a cost-effective basis, we could experience reduced profits.

Unfavorable general economic conditions could have a material adverse effect on our financial position, results of operations and liquidity.

Unfavorable general economic conditions could negatively affect our business including our financial position, results of operations, or liquidity, as well as our ability to service debt, pay other obligations and enhance shareholder returns. While it is often difficult for us to predict the impact of general economic conditions on our business, these conditions could adversely affect the affordability of and demand for some of our products and services and could cause customers to shift to lower priced products and services or to delay or forgo purchases of our products and services. One or more of these circumstances could cause our revenue to decline. Also, our customers may not be able to obtain adequate access to credit, which could affect their ability to make timely payments to us. If that were to occur, we could be required to increase our allowance for doubtful accounts, and the number of days outstanding for our accounts receivable could increase.

Our business is geographically concentrated in Alaska. Any deterioration in the economic conditions in Alaska could have a material adverse effect on our financial position, results of operations and liquidity.

We offer wireless and wireline telecommunication services and video services to customers primarily throughout Alaska. Because of this geographic concentration, growth of our business and operations depends upon economic conditions in Alaska. The economy of Alaska is dependent upon natural resource industries, and in particular oil exploration, development, and production, as well as government spending, investment earnings and tourism. The government spending is comprised of state government and United States military spending. Any deterioration in these markets, such as a long-term decrease in oil prices, or the occurrence of a single disruptive event, such as a shut-down of the TransAlaska Pipeline System, could have an adverse impact on the demand for our products and services and on our results of operations and financial condition.

Additionally, the customer base in Alaska is limited and we have already achieved significant market penetration with respect to our service offerings in Anchorage and other locations in Alaska. We may not be able to continue to increase our market share of the existing markets for our services, and no assurance can be given that the Alaskan economy will continue to grow and increase the size of the markets we serve or increase the demand for the services we offer. As a result, the best opportunities for expanding our business may arise in other geographic areas such as the lower 49 states. There can be no assurance that we will find attractive opportunities to grow our businesses outside of Alaska or that we will have the necessary expertise to take advantage of such opportunities. The markets in Alaska for wireless and wireline telecommunications and video services are unique and distinct within the United States due to Alaska's large geographical size, its sparse population located in a limited number of clusters, and its distance from the rest of the United States. The expertise we have developed in operating our businesses in Alaska may not provide us with the necessary expertise to successfully enter other geographic markets.

Natural disasters or terrorist attacks could have an adverse effect on our business.

Our technical infrastructure (including our communications network infrastructure and ancillary functions supporting our network such as service activation, billing and customer care) is vulnerable to damage or interruption from technology failures, power surges or outages, natural disasters, fires, human error, terrorism, intentional wrongdoing or similar events. As a communications provider, there is an increased risk that our technological infrastructure may be targeted in connection with terrorism or cyber-attacks, either as a primary target, or as a means of facilitating additional attacks on other targets.

In addition, earthquakes, floods, fires and other unforeseen natural disasters or events could materially disrupt our business operations or our provision of service in one or more markets. Costs we incur to restore, repair or replace our network or technical infrastructure, as well as costs associated with detecting, monitoring or reducing the incidence of unauthorized use, may be substantial and increase our cost of providing service. Any failure in or interruption of systems that we or third parties maintain to support ancillary functions, such as billing, point of sale,

inventory management, customer care and financial reporting, could materially impact our ability to timely and accurately record, process and report information important to our business. If any of the above events were to occur, we could experience higher churn, reduced revenues and increased costs, any of which could harm our reputation and have a material adverse effect on our business, financial condition or results of operations.

Additionally, our insurance may not be adequate to cover the costs associated with a natural disaster or terrorist attack.

Cyber-attacks or other network disruptions could have an adverse effect on our business.

Cyber-attacks on our technological infrastructure or breaches of network information technology may cause equipment failures, disruption of our operations, and potentially unauthorized access to confidential customer data. Cyber-attacks, which include the use of malware, computer viruses, and other means for service disruption or unauthorized access to confidential customer data, have increased in frequency, scope, and potential harm for businesses in recent years. It is possible for such cyber-attacks to go undetected for a long period of time, increasing the potential harm to our subscribers, our assets, and our reputation.

To date, we have not been subject to cyber-attacks or network disruptions that individually or in the aggregate, have been material to our operations or financial condition. Nevertheless, we engage in a variety of preventive measures at an increased cost to us, in order to reduce the risk of cyber-attacks and safeguard our infrastructure and confidential customer information. Such measures include, but are not limited to the following industry best practices: application whitelisting, anti-malware, message and spam filtering, encryption, advanced firewalls, threat detection, URL filtering, and encryption. Despite these preventive actions, our efforts may be insufficient to repel a major cyber-attack or network disruption in the future.

Some of the most significant risks to our information technology systems, networks, and infrastructure include:

- Disruptions, damage, or unauthorized access beyond our control, including disruptions or damage, or unauthorized access caused by criminal or terrorist activities, theft, natural disasters, power surges, or equipment failure;
- Human error;
- Viruses, malware, worms, software defects, Trojan horses, unsolicited mass advertising, denial of service and other malicious or abusive attacks by third parties, including cyber-attacks or other breaches of network or information technology security; and
- Unauthorized access to our information technology, billing, customer care, and provisioning systems and networks and those of our vendors and other providers.

If hackers or cyberthieves gain improper access to our technology systems, networks, or infrastructure, they may be able to access, steal, publish, delete, misappropriate, or modify confidential customer data. Moreover, additional harm to customers could be perpetrated by third parties who are given access to the confidential customer data. Relatedly, a network disruption (including one resulting from a cyber-attack) could cause an interruption or degradation of service as well as permit access, theft, publishing, deletion, misappropriation, or modification to or of confidential customer data. Due to the evolving techniques used in cyber-attacks to disrupt or gain unauthorized access to technology networks, we may not be able to anticipate or prevent such disruption or unauthorized access.

The costs imposed on us as a result of a cyber-attack or network disruption could be significant. Among others, such costs could include increased expenditures on cyber security measures, lost revenues from business interruption, litigation, fines, sanctions, and damage to the public's perception regarding our ability to provide a secure service. As a result, a cyber-attack or network disruption could have a material adverse effect on our business, financial condition, and operating results.

Prolonged service interruptions or system failures could affect our business.

We rely heavily on our network equipment, communications providers, data and software to support all of our functions. We rely on our networks and the networks of others for substantially all of our revenues. We are able to deliver services and serve our customers only to the extent that we can protect our network systems against damage from power or communication failures, computer viruses, natural disasters, unauthorized access and other disruptions. While we endeavor to provide for failures in the network by providing back-up systems and procedures,

we cannot guarantee that these back-up systems and procedures will operate satisfactorily in an emergency. Disruption to our billing systems due to a failure of existing hardware and backup protocols could have an adverse effect on our revenue and cash flow. Should we experience a prolonged failure, it could seriously jeopardize our ability to continue operations. In particular, should a significant service interruption occur, our ongoing customers may choose a different provider, and our reputation may be damaged, reducing our attractiveness to new customers.

If failures occur in our undersea fiber optic cable systems or our TERRA facilities and its extensions, our ability to immediately restore the entirety of our service may be limited and we could incur significant costs, which could lead to a material adverse effect on our business, financial position, results of operations or liquidity.

Our communications facilities include undersea fiber optic cable systems that carry a large portion of our traffic to and from the contiguous lower 48 states, one of which provides an alternative geographically diverse backup communication facility to the other. Our facilities also include TERRA and its extensions which are unringed, operating in a remote environment and are at times difficult to access for repairs. If a failure of both sides of the ring of our undersea fiber optic facilities or of our unringed TERRA facility and its extensions occurs and we are not able to secure alternative facilities, some of the communications services we offer to our customers could be interrupted which could have a material adverse effect on our business, financial position, results of operations or liquidity. Damage to an undersea fiber optic cable system or TERRA and its extensions could result in significant unplanned expense which could have a material adverse effect on our business, financial position, results of operations or liquidity.

If a failure occurs in our satellite communications systems, our ability to immediately restore the entirety of our service may be limited.

Our communications facilities include satellite transponders that we use to serve many rural and remote Alaska locations. Each of our C-band and Ku-band satellite transponders is backed up using on-board transponder redundancy. In the event of a complete spacecraft failure the services are restored using capacity on other spacecraft that are held in reserve. If a failure of our satellite transponders occurs and we are not able to secure alternative facilities, some of the communications services we offer to our customers could be interrupted which could have a material adverse effect on our business, financial position, results of operations or liquidity.

We depend on a limited number of third-party vendors to supply communications equipment. If we do not obtain the necessary communications equipment, we will not be able to meet the needs of our customers.

We depend on a limited number of third-party vendors to supply wireless, Internet, video and other telephony-related equipment. If our providers of this equipment are unable to timely supply the equipment necessary to meet our needs or provide them at an acceptable cost, we may not be able to satisfy demand for our services and competitors may fulfill this demand. Due to the unique characteristics of the Alaska communications markets (i.e., remote locations, rural, satellite-served, low density populations, and our leading edge services and products), in many situations we deploy and utilize specialized, advanced technology and equipment that may not have a large market or demand. Our vendors may not succeed in developing sufficient market penetration to sustain continuing production and may fail. Vendor bankruptcy, or acquisition without continuing product support by the acquiring company, may require us to replace technology before its otherwise useful end of life due to lack of on-going vendor support and product development.

The suppliers and vendors on which we rely may also be subject to litigation with respect to technology on which we depend, including litigation involving claims of patent infringement. Such claims have been growing rapidly in the communications industry. We are unable to predict whether our business will be affected by any such litigation. We expect our dependence on key suppliers to continue as they develop and introduce more advanced generations of technology.

We do not have insurance to cover certain risks to which we are subject, which could lead to the occurrence of uninsured liabilities that adversely affect our financial position, results of operations or liquidity.

As is typical in the communications industry, we are self-insured for damage or loss to certain of our transmission facilities, including our buried, undersea and above-ground fiber optic cable systems. If we become subject to substantial uninsured liabilities due to damage or loss to such facilities, our financial position, results of operations or liquidity may be adversely affected.

Our significant debt and capital lease obligations could adversely affect our business and prevent us from fulfilling our obligations under our Senior Notes, Senior Credit Facility, other debt or capital leases.

We have and will continue to have a significant amount of debt and capital lease obligations. On December 31, 2014, we had total debt of $1,036.7 million and total capital lease obligations of $76.5 million. Additionally, on February 2, 2015, we completed the Wireless Acquisition which was funded with a $275.0 million Term B Loan under our Senior Credit Facility and a $75.0 million unsecured promissory note issued to Searchlight. Our high level of debt and capital lease obligations could have important consequences, including the following:

- Increasing our vulnerability to adverse economic, industry, or competitive developments;
- Requiring a substantial portion of our cash flows from operations to be dedicated to the payment of principal and interest on our indebtedness, therefore reducing our ability to use our cash flows to fund operations, capital expenditures, and future business opportunities;
- Exposing us to the risk of increased interest rates to the extent of any future borrowings, including borrowings under the Senior Credit Facility, at variable rates of interest;
- Making it more difficult for us to satisfy our obligations with respect to our indebtedness, including the Senior Notes and Senior Credit Facility, and any failure to comply with the obligations of any of our debt instruments, including restrictive covenants and borrowing conditions, could result in an event of default under the indenture governing the notes and the agreements governing such other indebtedness;
- Restricting us from making strategic acquisitions or causing us to make non-strategic divestitures;
- Limiting our ability to obtain additional financing for working capital, capital expenditures, product and service development, debt service requirements, acquisitions, and general corporate or other purposes; and
- Limiting our flexibility in planning for, or reacting to, changes in our business or market conditions and placing us at a competitive disadvantage compared to our competitors who are less highly leveraged and who, therefore, may be able to take advantage of opportunities that our leverage may prevent us from exploiting.

We will require a significant amount of cash to service our debt and to meet other obligations. Our ability to generate cash depends on many factors beyond our control. If we are unable to meet our future capital needs it may be necessary for us to curtail, delay or abandon our business growth plans. If we incur significant additional indebtedness to fund our plans, it could cause a decline in our credit rating and could increase our borrowing costs or limit our ability to raise additional capital.

We will continue to require a significant amount of cash to satisfy our debt service requirements and to meet other obligations. Our ability to make payments on and to refinance our debt and to fund planned capital expenditures and acquisitions will depend on our ability to generate cash and to arrange additional financing in the future. These abilities are subject to, among other factors, our credit rating, our financial performance, general economic conditions, prevailing market conditions, the state of competition in our market, the outcome of certain legislative and regulatory issues and other factors that may be beyond our control. Our business may not generate sufficient cash flow from operations and future borrowings may not be available to us in an amount sufficient to enable us to pay our debt or to fund our other liquidity needs. We may need to refinance all or a portion of our debt on or before maturity. We may not be able to refinance any of our debt on commercially reasonable terms or at all.

The terms of our debt impose restrictions on us that may affect our ability to successfully operate our business and our ability to make payments on the Senior Notes.

The indentures governing our Senior Notes and/or the credit agreements governing our Senior Credit Facility and other loans contain various covenants that could materially and adversely affect our ability to finance our future operations or capital needs and to engage in other business activities that may be in our best interest.

All of these covenants may restrict our ability to expand or to pursue our business strategies. Our ability to comply with these covenants may be affected by events beyond our control, such as prevailing economic conditions and changes in regulations, and if such events occur, we cannot be sure that we will be able to comply. A breach of these covenants could result in a default under the indentures governing our Senior Notes and/or the Senior Credit Facility. If there were an event of default under the indentures for the Senior Notes and/or the Senior Credit Facility, holders of such defaulted debt could cause all amounts borrowed under these instruments to be due and payable immediately. Additionally, if we fail to repay the debt under the Senior Credit Facility when it becomes due, the lenders under the Senior Credit Facility could proceed against certain of our assets and capital stock of our subsidiaries that we have pledged to them as security. Our assets or cash flow may not be sufficient to repay borrowings under our outstanding debt instruments in the event of a default thereunder.

When our Senior Credit Facility and Senior Notes mature, we may not be able to refinance or replace one or both.

When out Senior Credit Facility and Senior Notes mature, we will likely need to refinance them and may not be able to do so on favorable terms or at all. If we are able to refinance maturing indebtedness, the terms of any refinancing or alternate credit arrangements may contain terms and covenants that restrict our financial and operating flexibility.

Variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Our borrowings under our Senior Credit Facility are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness could increase even though the amount borrowed remained the same, and our net income and cash flow could decrease.

In order to manage our exposure to interest rate risk, in the future we may enter into derivative financial instruments, typically interest rate swaps and caps, involving the exchange of floating for fixed rate interest payments. If we are unable to enter into interest rate swaps, it may adversely affect our cash flow and may impact our ability to make required principal and interest payments on our indebtedness.

Any significant impairment of our indefinite-lived intangible assets would lead to a decrease in our assets and a reduction in our net operating performance.

We had $510.6 million of indefinite-lived intangible assets at December 31, 2014, consisting of goodwill of $229.6 million, cable certificates of $191.6 million, wireless licenses of $86.3 million and broadcast licenses of $3.1 million. Our cable certificates represent agreements with government entities to construct and operate a video business. Our wireless licenses are from the FCC and give us the right to provide wireless service within a certain geographical area. Our broadcast licenses represent permission to use a portion of the radio frequency spectrum in a given geographical area for broadcasting purposes. Goodwill represents the excess of cost over fair value of net assets acquired in connection with business acquisitions.

If we make changes in our business strategy or if market or other conditions adversely affect our operations, we may be forced to record an impairment charge, which would lead to a decrease in our assets and a reduction in our net operating performance. Our indefinite-lived intangible assets are tested annually for impairment during the fourth quarter and at any time upon the occurrence of certain events or substantive changes in circumstances that indicate the assets might be impaired. If the testing performed indicates that impairment has occurred, we are required to record an impairment charge for the difference between the carrying value of the goodwill and/or the indefinite-lived intangible assets, as appropriate, and the fair value of the goodwill and/or indefinite-lived intangible assets, in the period in which the determination is made. The testing of goodwill and indefinite-lived intangible assets for impairment requires us to make significant estimates about our future performance and cash flows, as well as other assumptions. These estimates can be affected by numerous factors, including changes in economic,

industry or market conditions, changes in underlying business operations, future operating performance, changes in competition, or changes in technologies. Any changes to key assumptions, or actual performance compared with those assumptions, about our business and its future prospects or other assumptions could affect the fair value, resulting in an impairment charge.

Our ability to use net operating loss carryforwards to reduce future tax payments could be negatively impacted if there is an "ownership change" as defined under Section 382 of the Internal Revenue Code.

At December 31, 2014, we have tax net operating loss carryforwards of $320.3 million for U.S. federal income tax purposes and, under the Internal Revenue Code, we may carry forward these net operating losses in certain circumstances to offset any current and future taxable income and thus reduce our federal income tax liability, subject to certain requirements and restrictions. If we experience an "ownership change," as defined in Section 382 of the Internal Revenue Code and related Treasury regulations at a time when our market capitalization is below a certain level, our ability to use the net operating loss carryforwards could be substantially limited. This limit could impact the timing of the usage of the net operating loss carryforwards, thus accelerating cash tax payments or causing net operating loss carryforwards to expire prior to their use, which could affect the ultimate realization of that deferred tax asset.

Concerns about health risks associated with wireless equipment may reduce the demand for our wireless services.

Portable communications devices have been alleged to pose health risks, including cancer, due to radio frequency emissions from these devices. Purported class actions and other lawsuits have been filed from time to time against other wireless companies seeking not only damages but also remedies that could increase the cost of doing business. We cannot be sure of the outcome of any such cases or that the industry will not be adversely affected by litigation of this nature or public perception about health risks. The actual or perceived risk of mobile communications devices could adversely affect us through a reduction in subscribers. Further research and studies are ongoing, with no linkage between health risks and mobile phone use established to date by a credible public source. However, we cannot be sure that additional studies will not demonstrate a link between radio frequency emissions and health concerns.

A significant percentage of our voting securities are owned by a small number of shareholders and these shareholders can control shareholder decisions on very important matters.

As of December 31, 2014, our executive officers and directors and their affiliates owned 13% of our combined outstanding Class A and Class B common stock, representing 23% of the combined voting power of that stock. These shareholders can significantly influence, if not control, our management policy and all fundamental corporate actions, including mergers, substantial acquisitions and dispositions, and election of directors to the Board.

We invest in early-stage, venture backed companies.

The companies in which we invest are entrants to markets with new products or services. These companies generally have revenue that does not cover the companies' operating and capital expenditures. As a result, the companies typically operate with monthly net losses and may require additional funding for operating and capital. Given that, among other things, these companies are at an early stage in their life cycle and are often proving their business model, these companies may fail, go bankrupt, and lose all or substantially all of their value which could have an adverse effect on our financial position, results of operations or liquidity.

Item 1B. Unresolved Staff Comments.

Not applicable.

Item 2. Properties

Our properties do not lend themselves to description by location of principal units. The majority of our properties are located in Alaska.

We lease most of our executive, corporate and administrative facilities and business offices. Our operating, executive, corporate and administrative properties are in good condition. We consider our properties suitable and adequate for our present needs and they are being fully utilized.

Our Wireline and Wireless segments have properties that consist primarily of undersea and terrestrial fiber optic cable networks, switching equipment, satellite transponders and earth stations, microwave radio, cable and wire facilities, cable head-end equipment, wireless towers and equipment, coaxial distribution networks, connecting lines (aerial, underground and buried cable), routers, servers, transportation equipment, computer equipment, general office equipment, land, land improvements, landing stations and other buildings. Substantial amounts of our properties are located on or in leased real property or facilities. Substantially all of our properties secure our Senior Credit Facility. See note 6 included in "Part II — Item 8 — Consolidated Financial Statements and Supplementary Data" for more information.

Item 3. Legal Proceedings

We are involved in various lawsuits, billing disputes, legal proceedings, and regulatory matters that have arisen from time to time in the normal course of business. Management believes there are no proceedings from asserted and unasserted claims which if determined adversely would have a material adverse effect on our financial position, results of operations or liquidity.

Item 4. Mine Safety Disclosures

Not Applicable.

Part II

Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information for Common Stock

Shares of GCI's Class A common stock are traded on the Nasdaq Global Select Market SM under the symbol GNCMA.

Shares of GCI's Class B common stock are traded through the Over-The-Counter Bulletin Board service offered by the National Association of Securities Dealers. Each share of Class B common stock is convertible, at the option of the holder, into one share of Class A common stock.

The following table sets forth the high and low sales price for our common stock for the periods indicated. Market price data for Class A shares was obtained from the Nasdaq Stock Market System quotation system. Market price data for Class B shares was obtained from reported Over-the-Counter Bulletin Board service market transactions. The prices represent prices between dealers, do not include retail markups, markdowns, or commissions, and do not necessarily represent actual transactions.

	Class A		Class B	
	High	Low	High	Low
2014				
First Quarter	$ 11.62	9.34	11.48	10.50
Second Quarter	$ 11.49	10.31	11.02	10.57
Third Quarter	$ 11.63	10.83	11.02	10.61
Fourth Quarter	$ 13.84	10.69	13.73	10.61
2013				
First Quarter	$ 9.51	7.97	8.89	7.50
Second Quarter	$ 9.82	7.69	8.29	7.50
Third Quarter	$ 9.60	8.44	9.09	8.29
Fourth Quarter	$ 11.18	8.78	10.96	8.75

Holders

As of December 31, 2014, there were 2,331 holders of record of our Class A common stock and 304 holders of record of our Class B common stock (amounts do not include the number of shareholders whose shares are held of record by brokers, but do include the brokerage house as one shareholder).

Dividends

We have never paid cash dividends on our common stock, and we have no present intention of doing so. Payment of cash dividends in the future, if any, will be determined by our Board of Directors in light of our earnings, financial condition and other relevant considerations. Our existing debt agreements contain provisions that limit payment of dividends on common stock, other than stock dividends (see note 6 included in "Part II — Item 8 — Consolidated Financial Statements and Supplementary Data" for more information).

Stock Transfer Agent and Registrar

Computershare is our stock transfer agent and registrar.

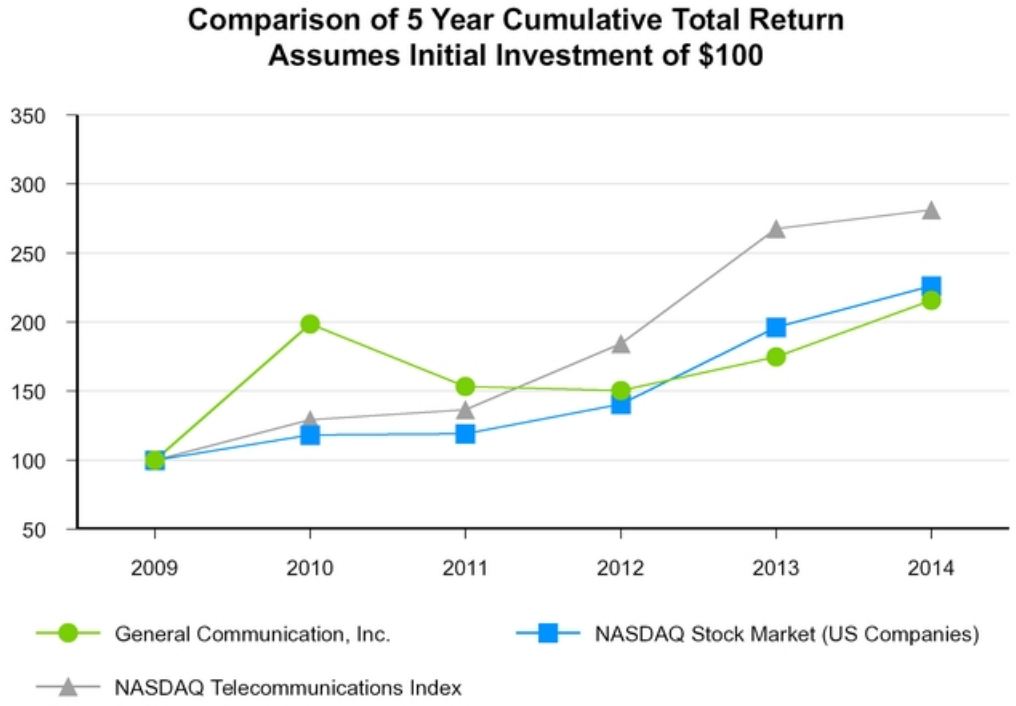
Performance Graph

The following graph includes a line graph comparing the yearly percentage change in our cumulative total shareholder return on our Class A common stock during the five-year period 2010 through 2014. This return is measured by dividing (1) the sum of (a) the cumulative amount of dividends for the measurement period (assuming dividend reinvestment, if any) and (b) the difference between our share price at the end and the beginning of the measurement period, by (2) the share price at the beginning of that measurement period. This line graph is compared in the following graph with two other line graphs during that five-year period, i.e., a market index and a peer index.

The market index is the Center for Research in Securities Price Index for the Nasdaq Stock Market for United States companies. It presents cumulative total returns for a broad based equity market assuming reinvestment of dividends and is based upon companies whose equity securities are traded on the Nasdaq Stock Market. The peer index is the Center for Research in Securities Price Index for Nasdaq Telecommunications Stock. It presents cumulative total returns for the equity market in the telecommunications industry segment assuming reinvestment of dividends and is based upon companies whose equity securities are traded on the Nasdaq Stock Market. The line graphs represent annual index levels derived from compounding daily returns.

In constructing each of the line graphs in the following graph, the closing price at the beginning point of the five-year measurement period has been converted into a fixed investment, stated in dollars, in our Class A common stock (or in the stock represented by a given index, in the cases of the two comparison indexes), with cumulative returns for each subsequent fiscal year measured as a change from that investment. Data for each succeeding fiscal year during the five-year measurement period are plotted with points showing the cumulative total return as of that point. The value of a shareholder's investment as of each point plotted on a given line graph is the number of shares held at that point multiplied by the then prevailing share price.

Our Class B common stock is traded through the Over-The-Counter Bulletin Board service on a more limited basis. Therefore, comparisons similar to those previously described for the Class A common stock are not directly available. However, the performance of Class B common stock may be analogized to that of the Class A common stock in that the Class B common stock is readily convertible into Class A common stock upon request to us.



COMPARISON OF FIVE-YEAR CUMULATIVE TOTAL RETURNS PERFORMANCE GRAPH FOR GENERAL COMMUNICATION, INC., NASDAQ STOCK MARKET INDEX FOR UNITED STATES COMPANIES, AND NASDAQ TELECOMMUNICATIONS STOCK[1,2,3,4]

Measurement Period (Fiscal Year Covered)	Company ($)	Nasdaq Stock Market Index for U.S. Companies ($)	Nasdaq Telecommunications Stock ($)
FYE 12/31/09	100.00	100.00	100.00
FYE 12/31/10	198.43	118.37	129.12
FYE 12/31/11	153.45	118.98	136.53
FYE 12/31/12	150.31	140.70	184.47
FYE 12/31/13	174.76	196.11	267.65
FYE 12/31/14	215.52	226.12	281.29

[1] The lines represent annual index levels derived from compounded daily returns that include all dividends.

[2] The indexes are reweighted daily, using the market capitalization on the previous trading day.

[3] If the annual interval, based on the fiscal year-end, is not a trading day, the preceding trading day is used.

[4] The index level for all series was set to $100.00 on December 31, 2009.

Issuer's Purchases of Equity Securities

(a) Not applicable.

(b) Not applicable.

(c) The following table provides information about repurchases of shares of our Class A common stock during the quarter ended December 31, 2014 (amounts rounded to hundreds, except per share amounts):

	(a) Total Number of Shares Purchased[1]	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs[2]	(d) Maximum Number (or approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plan or Programs[3]
October 1, 2014 to October 31, 2014	267,100	$10.92	265,700	$122,103,100
November 1, 2014 to November 30, 2014	129,300	$12.18	—	$122,114,600
December 1, 2014 to December 31, 2014	28,600	$13.51	700	$122,217,000
Total	425,000			

[1] Consists of 265,700 shares from open market purchases made under our publicly announced repurchase plan, 700 shares from private purchases made under our publicly announced plan and 158,600 shares from private purchases made to settle the minimum statutory tax-withholding requirements pursuant to restricted stock award vesting.

[2] The repurchase plan was publicly announced on November 3, 2004. Our plan does not have an expiration date, however transactions pursuant to the plan are subject to periodic approval by our Board of Directors. We expect to continue the repurchases for an indefinite period dependent on leverage, liquidity, company performance, market conditions and subject to continued oversight by our Board of Directors.

[3] The total amount approved by our Board of Directors for repurchase under our publicly announced repurchase plan was $358.4 million through December 31, 2014, consisting of $353.3 million through September 30, 2014, and an additional $5.1 million during the three months ended December 31, 2014. We have made total repurchases under the program of $236.2 million through December 31, 2014. If stock repurchases are less than the total approved quarterly amount the difference may be carried forward and used to repurchase additional shares in future quarters, subject to board approval.

Item 6. Selected Financial Data

The following table presents selected historical information relating to financial condition and results of operations over the past five years.

(Amounts in thousands except per share amounts)	Years Ended December 31,				
	2014	2013	2012	2011	2010
Revenues	$ 910,198	811,648	710,181	679,381	651,250
Income before income taxes	$ 69,273	42,684	21,250	12,891	17,858
Net income	$ 59,244	31,727	9,162	5,486	8,610
Net income (loss) attributable to non-controlling interest	$ 51,687	22,321	(511)	(238)	—
Net income attributable to GCI common stockholders	$ 7,557	9,406	9,673	5,724	8,610
Basic net income attributable to GCI per common share	$ 0.18	0.23	0.23	0.13	0.16
Diluted net income attributable to GCI per common share	$ 0.18	0.23	0.23	0.12	0.16
Total assets	$ 2,058,498	2,011,807	1,506,552	1,446,320	1,350,353
Long-term debt, including current portion and net of unamortized discount	$ 1,036,678	1,047,980	877,051	861,272	781,717
Obligations under capital leases, including current portion	$ 76,456	74,605	80,612	86,054	91,165
Redeemable preferred stock					
Series B	$ —	—	—	—	—
Series C	$ —	—	—	—	—
Total GCI stockholders' equity	$ 167,356	157,144	157,178	157,339	199,099
Dividends declared per common share	$ —	—	—	—	—

The Selected Financial Data should be read in conjunction with "Part II — Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operations."

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

In the following discussion, General Communication, Inc. ("GCI") and its direct and indirect subsidiaries are referred to as "we," "us" and "our."

Management's Discussion and Analysis of Financial Condition and Results of Operations discusses our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an on-going basis, we evaluate our estimates and judgments, including those related to the allowance for doubtful receivables, unbilled revenues, accrual of the USF high cost Remote area program support, share-based compensation, inventory at lower of cost or market, reserve for future customer credits, liability for incurred but not reported medical insurance claims, valuation allowances for deferred income tax assets, depreciable and amortizable lives of assets, the carrying value of long-lived assets including goodwill, cable certificates, wireless licenses, and broadcast licenses, our effective tax rate, purchase price allocations, deferred lease expense, asset retirement obligations, the accrual of cost of goods sold (exclusive of depreciation and amortization expense) ("Cost of Goods Sold"), depreciation, and accrual of contingencies and litigation. We base our estimates and judgments on historical experience and on various other factors that are believed to be

reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. See also our “Cautionary Statement Regarding Forward-Looking Statements.”

The following discussion and analysis of financial condition and results of operations should be read in conjunction with our consolidated financial statements and supplementary data as presented in Part IV of this Form 10-K.

General Overview

Through our focus on long-term results, acquisitions, and strategic capital investments, we strive to consistently grow our revenues and expand our margins. We have historically met our cash needs for operations, regular capital expenditures and maintenance capital expenditures through our cash flows from operating activities. Historically, cash requirements for significant acquisitions and major capital expenditures have been provided largely through our financing activities.

As discussed earlier in “Item 1 — Business — Geographic Concentration and the Alaska Economy,” our revenue is impacted by the strength of the Alaska economy. The Alaska economy is affected by certain economic factors including activity in the oil and gas industry, tourism, government spending, and military personnel stationed in Alaska. A long-term decrease in oil prices may impact spending by the oil and gas industry and the government, which could negatively impact our revenue. Additionally, the health of the national economy can impact our revenue.

On July 22, 2013, we closed the transactions under the Asset Purchase and Contribution Agreement ("Wireless Agreement") and other related agreements entered into on June 4, 2012 by and among ACS, GCI, ACS Wireless, Inc., a wholly owned subsidiary of ACS, GCI Wireless Holdings, LLC, a wholly owned subsidiary of GCI, and AWN, pursuant to which the parties agreed to contribute the respective wireless network assets of GCI, ACS and their affiliates to AWN. This transaction provided a statewide network with the spectrum mix, scale, advanced technology and cost structure necessary to compete with Verizon Wireless and AT&T Mobility in Alaska. Until the closing of the Wireless Acquisition described below, AWN provided wholesale services to GCI and ACS, and GCI and ACS used the AWN network to continue to sell services to their respective retail customers.

Under the terms of the Wireless Agreement, we contributed our wireless network assets and certain rights to use capacity to AWN. Additionally, ACS contributed its wireless network assets and certain rights to use capacity to AWN. As consideration for the contributed business assets and liabilities, ACS received $100.0 million in cash from GCI, a one-third ownership interest in AWN, and preferential cash distributions totaling $50.0 million and $22.0 million in 2014 and 2013, respectively. As part of closing, we borrowed $100.0 million under our Senior Credit Facility to fund the purchase of wireless network assets from ACS.

On February 2, 2015, we completed the transaction to purchase ACS' wireless subscriber base and its one-third ownership interest in AWN for $293.2 million, subject to possible post-closing adjustments ("Wireless Acquisition"). Following the close of the Wireless Acquisition, AWN is a wholly owned subsidiary and we are entitled to 100% of the future cash flows from AWN. We funded the purchase with a $275.0 million Term B loan under our Senior Credit Facility and a $75.0 million unsecured promissory note from Searchlight. We expect to record costs of approximately $30.0 million in 2015 for one-time customary transaction costs and costs to migrate a billing system, train our customer service representatives, and to transition a portion of our new customers to our GSM network.

ACS reported approximately 109,000 wireless subscribers as of September 30, 2014. The actual number of wireless subscribers in good standing that we acquired on February 2, 2015 was approximately 87,000 due to a numbers of factors including subsequent subscriber losses, differences in methods of counting subscribers, and the exclusion of internal subscribers from the transaction. These numbers are preliminary and will be finalized during the first quarter of 2015. We expect the impact of the lower number of subscribers to be minimal as these subscribers had a low average revenue per user, reduced future phone subsidies, and an estimated $4.4 million reduction to the purchase price related to the subscriber attrition.

As an ETC, we receive support from the USF to support the provision of wireline local access and wireless service in high cost areas. On November 29, 2011, the FCC published final rules to reform, among others, the methodology for distributing USF high cost support for voice and broadband services (“High Cost Order”). The High Cost Order segregated the support methodology for Remote areas in Alaska from the support methodology for all urban areas,

including Alaska Urban locations. Our future revenue recognition for both Remote and Urban high cost support is dependent upon the functionality and timing of an operational successor funding mechanism. Rulemaking is underway to consider a successor funding mechanism. We cannot predict at this time the outcome of this proceeding or its effect on Remote high cost support available to us, but our revenue for providing services in these areas would be materially adversely affected by a substantial reduction of USF support.

Results of Operations

The following table sets forth selected financial data as a percentage of total revenues for the periods indicated (underlying data rounded to the nearest thousand):

	Year Ended December 31,			Percentage Change[1] 2014 vs. 2013	Percentage Change[1] 2013 vs. 2012
	2014	2013	2012		
Statements of Operations Data:					
Revenues:					
Wireless segment	30%	24%	18%	37%	58%
Wireline segment	70%	76%	82%	4%	5%
Total revenues	100%	100%	100%	12%	14%
Selling, general and administrative expenses	32%	33%	34%	8%	11%
Depreciation and amortization expense	19%	18%	18%	16%	13%
Operating income	16%	14%	13%	27%	27%
Other expense, net	8%	9%	10%	6%	4%
Income before income taxes	8%	5%	3%	62%	101%
Net income	7%	4%	1%	87%	246%
Net income (loss) attributable to the non-controlling interest	6%	3%	—%	132%	4,468%
Net income attributable to GCI	1%	1%	1%	(20)%	(3)%

[1] Percentage change in underlying data

We evaluate performance and allocate resources based on earnings before depreciation and amortization expense, net interest expense, income taxes, share-based compensation expense, accretion expense, income or loss attributable to non-controlling interest, non-cash contribution adjustment, and other non-cash adjustments (“Adjusted EBITDA”). Management believes that this measure is useful to investors and other users of our financial information in evaluating operating profitability as an analytical indicator of income generated to service debt and fund capital expenditures. In addition, multiples of current or projected earnings before depreciation and amortization expense, net interest expense and income taxes (“EBITDA”) are used to estimate current or prospective enterprise value. See note 10 in the "Notes to Consolidated Financial Statements" included in Part IV of this annual report on Form 10-K for a reconciliation of consolidated Adjusted EBITDA, a non-GAAP financial measure, to consolidated income before income taxes.

Overview of Revenues and Cost of Goods Sold

Total revenues increased 14% from $710.2 million in 2012 to $811.6 million in 2013 and increased 12% to $910.2 million in 2014. Revenue increased in both of our segments in 2014 and 2013. See the discussion below for more information by segment.

Total Cost of Goods Sold increased 13% from $247.5 million in 2012 to $280.5 million in 2013 and increased 8% to $302.7 million in 2014. Cost of Goods Sold decreased in our Wireline segment and increased in our Wireless segment for 2014. Cost of Goods Sold increased in both of our segments in 2013. See the discussion below for more information by segment.

Wireless Segment Overview
Wireless segment revenue, Cost of Goods Sold, and Adjusted EBITDA are as follows (amounts in thousands):

		2014	2013	2012	Percentage Change 2014 vs. 2013	Percentage Change 2013 vs. 2012
Revenue	$	269,977	197,218	124,745	37%	58%
Cost of Goods Sold	$	90,920	68,086	58,737	34%	16%
Adjusted EBITDA	$	158,159	109,609	50,802	44%	116%

See note 10 in the "Notes to Consolidated Financial Statements" included in Part IV of this annual report on Form 10-K for a reconciliation of consolidated Adjusted EBITDA, a non-GAAP financial measure, to consolidated income before income taxes.

Wireless Segment Revenues
The increase in revenue is primarily due to the following:

- A $29.1 million and $41.9 million increase in roaming revenue in 2014 and 2013, respectively, primarily due to the July 22, 2013 close of the initial AWN transaction,
- A $27.0 million and $25.0 million increase in non-Lifeline wholesale plan fee revenue in 2014 and 2013, respectively, primarily due to the July 22, 2013 close of the initial AWN transaction and an increase in wireless subscribers,
- A $11.7 million and $9.7 million increase in high cost support in 2014 and 2013, respectively, primarily due to the July 22, 2013 close of the initial AWN transaction,
- A $7.3 million and $2.9 million increase in private line revenue in 2014 and 2013, respectively, due to increased demand for backhaul capacity.

The increase is partially off-set by a $2.5 million and $6.6 million increase in the wireless handset cash incentives to ACS in 2014 and 2013, respectively, for the sale of wireless handsets to their retail customers due to the July 22, 2013 close of the initial AWN transaction.

Wireless Segment Cost of Goods Sold
The increase in Cost of Goods Sold is primarily due to the following:

- A $11.3 million and $7.3 million increase in 2014 and 2013, respectively, primarily due to roaming costs due to the July 22, 2013 close of the initial AWN transaction,
- A $5.1 million increase in wireless equipment costs in 2014. During the period from April 1, 2014 to December 31, 2014, the Wireless segment recorded the Cost of Goods Sold related to wireless equipment sales to retail customers based upon equipment sales and agreed-upon subsidy rates. Any amount in excess of this subsidy was recorded in the Wireline segment. From the July 22, 2013 close of the initial AWN transaction through March 31, 2014, although permitted, the Wireline segment was unable to meet the requirements in order to request a wireless equipment subsidy from the Wireless segment in accordance with the AWN agreements, and
- A $1.9 million and $5.5 million increase in distribution and capacity costs in 2014 and 2013, respectively, due to the July 22, 2013 close of the initial AWN transaction and growth in traffic carried on the wireless network,
- Additional increases in network maintenance costs in 2014 and 2013 due to the growth of the wireless network due to the July 22, 2013 close of the initial AWN transaction and increased emphasis on our wireless network.

The increase in 2013 is partially off-set by an $11.0 million decrease in wireless equipment costs. Through the initial AWN transaction close the Wireless segment recorded the Cost of Goods Sold related to wireless equipment sales to retail customers based upon equipment sales and agreed-upon subsidy rates. Any amount in excess of this subsidy was recorded in the Wireline segment. Subsequent to the transaction close and through March 31, 2014, although permitted, the Wireline segment was unable to meet the requirements in order to request a wireless equipment subsidy from the Wireless segment in accordance with the AWN agreements.

Wireless Segment Adjusted EBITDA
The increases in Adjusted EBITDA in 2014 and 2013 are primarily due to increased revenue as described above in “Wireless Segment Revenues.” This increases were partially offset by increased Cost of Goods Sold as described above in "Wireless Segment Cost of Goods Sold" and an increase in selling, general and administrative expense.

Wireline Segment Overview
Our Wireline segment offers services and products under three major customer groups as follows:

	Customer Group		
Wireline Segment Services and Products	Consumer	Business Services	Managed Broadband
Retail wireless	X	X	
Data:			
Internet	X	X	X
Data networks		X	X
Managed services		X	X
Video	X	X	
Voice:			
Long-distance	X	X	X
Local access	X	X	X

- Consumer – we offer a full range of retail wireless, data, video and voice services to residential customers.
- Business Services - we offer a full range of retail wireless, data, video and voice services to businesses, governmental entities, educational institutions and wholesale data and voice services to common carrier customers.
- Managed Broadband – we offer Internet, data network and managed services to rural schools and health organizations and regulated voice services to residential and commercial customers in rural communities primarily in Southwest Alaska.

The components of Wireline segment revenue are as follows (amounts in thousands):

	2014	2013	2012	Percentage Change 2014 vs. 2013	Percentage Change 2013 vs. 2012
Consumer					
Wireless	$ 30,998	28,031	26,416	11 %	6 %
Data	113,306	99,740	86,466	14 %	15 %
Video	111,175	111,368	115,306	— %	(3)%
Voice	32,535	35,666	41,169	(9)%	(13)%
Business Services					
Wireless	2,749	2,872	2,881	(4)%	— %
Data	144,945	154,498	143,907	(6)%	7 %
Video	33,259	15,171	12,842	119 %	18 %
Voice	45,010	50,273	48,262	(10)%	4 %
Managed Broadband					
Data	105,004	95,645	86,562	10 %	10 %
Voice	21,240	21,166	21,625	— %	(2)%
Total Wireline segment revenue	$ 640,221	614,430	585,436	4 %	5 %

Wireline segment Cost of Goods Sold and Adjusted EBITDA are as follows (amounts in thousands):

	2014	2013	2012	Percentage Change 2014 vs. 2013	Percentage Change 2013 vs. 2012
Wireline segment Cost of Goods Sold	$ 211,784	212,376	188,764	— %	13 %
Wireline segment Adjusted EBITDA	$ 164,957	157,674	176,007	5 %	(10)%

See note 10 in the "Notes to Consolidated Financial Statements" included in Part IV of this annual report on Form 10-K for a reconciliation of consolidated Adjusted EBITDA, a non-GAAP financial measure, to consolidated income before income taxes.

Selected key performance indicators for our Wireline segment follow:

	2014	2013	2012	Percentage Change 2014 vs. 2013	Percentage Change 2013 vs. 2012
Consumer					
Data:					
Cable modem subscribers[1]	119,100	115,300	115,600	3 %	— %
Video:					
Basic subscribers[2]	116,400	117,900	122,300	(1)%	(4)%
Digital programming tier subscribers[3]	63,800	67,500	72,500	(5)%	(7)%
HD/DVR converter boxes[4]	108,400	96,900	90,400	12 %	7 %
Homes passed	248,200	247,400	243,600	— %	2 %
Video ARPU[5]	$ 79.29	$ 77.34	$ 77.98	3 %	(1)%
Voice:					
Total local access lines in service[6]	54,600	61,000	69,700	(10)%	(12)%
Business Services					

Data:					
Cable modem subscribers[1]	14,100	14,000	13,300	1 %	5 %
Voice:					
Total local access lines in service[6]	47,400	48,800	51,600	(3)%	(5)%
Combined Consumer and Business Services					
Multiple System Operator Operating Statistics					
Customer relationships[7]	120,400	122,400	126,700	(2)%	(3)%
Revenue generating units[8]	330,200	334,100	343,900	(1)%	(3)%
Wireless					
Consumer Lifeline wireless lines in service[9]	25,000	29,300	32,400	(15)%	(10)%
Consumer Non-Lifeline wireless lines in service[10]	106,400	93,600	90,600	14 %	3 %
Business Services Non-Lifeline wireless lines in service[10]	18,200	18,600	17,000	(2)%	9 %
Total wireless lines in service	149,600	141,500	140,000	6 %	1 %
Wireless ARPU[11]	$ 49.97	$ 48.71	$ 45.47	3 %	7 %
Cable modem ARPU[12]	$ 78.87	$ 70.50	$ 64.10	12 %	10 %

[1] A cable modem subscriber is defined by the purchase of cable modem service regardless of the level of service purchased. If one entity purchases multiple cable modem service access points, each access point is counted as a subscriber. Cable modem subscribers may also be video basic subscribers though basic video service is not required to receive cable modem service.

[2] A basic subscriber is defined as one basic tier of service delivered to an address or separate subunits thereof regardless of the number of outlets purchased.

[3] A digital programming tier subscriber is defined as one digital programming tier of service delivered to an address or separate subunits thereof regardless of the number of outlets or digital programming tiers purchased. Digital programming tier subscribers are a subset of basic subscribers.

[4] A high-definition/digital video recorder ("HD/DVR") converter box is defined as one box rented by a digital programming or basic tier subscriber. A digital programming or basic tier subscriber is not required to rent an HD/DVR converter box to receive service.

[5] Applicable average monthly video revenues divided by the average number of basic subscribers at the beginning and end of each month in 2014, 2013, and 2012.

[6] A local access line in service is defined as a revenue generating circuit or channel connecting a customer to the public switched telephone network.

[7] The number of customers that receive at least one level of service utilizing our cable service facilities, encompassing voice, video, and data services, without regard to which services customers purchase.

[8] The sum of all primary digital video, high-speed data, and telephony customers, not counting additional outlets.

[9] A Lifeline wireless line in service is defined as a revenue generating wireless device that is eligible for Lifeline support. The Universal Service Fund's Lifeline program is administered by the Universal Service Administrative Company and is designed to ensure that quality telecommunications services are available to low-income customers at affordable rates.

[10] A non-Lifeline wireless line in service is defined as a revenue generating wireless device that is not eligible for Lifeline support.

[11] Average monthly wireless revenues, excluding those from other wireless carrier customers, divided by the average of wireless subscribers at the beginning and end of each month in the period ("Wireless ARPU"). Revenue used for this calculation includes Wireline segment - Consumer - Wireless, Wireline segment - Business Services - Wireless and wholesale wireless revenues earned from GCI retail subscribers included in the Wireless segment for 2014, 2013, and 2012.

[12] Applicable average monthly cable modem revenues divided by the average number of subscribers at the beginning and end of each month in 2014, 2013, and 2012.

Wireline Segment Revenues

Consumer
The increase in data revenue is primarily due to a $12.1 million or 14% and $12.2 million or 16% increase in cable modem revenue for 2014 and 2013, respectively, due to an increase in the average number of subscribers in 2014 and our subscribers' selection of plans that offer higher speeds and higher usage limits in 2014 and 2013.

Business Services
Business Services data revenue is comprised of monthly recurring charges for data services and charges billed on a time and materials basis largely for personnel providing on-site customer support. This latter category can vary significantly based on project activity.

The decrease in data revenue in 2014 is primarily due to a $14.1 million or 24% decrease in managed services project revenue due to a decrease in special project work. The decrease in 2014 is partially offset by a $4.6 million or 5% increase in data transport and storage revenue due to increased demand for increased capacity and data speeds. The increase in data revenue in 2013 is primarily due to a $10.2 million or 20% in managed services project revenue due to special project work.

The $18.1 million or 119% increase in video revenue in 2014 primarily results from an increase in advertising sales due to the election cycle and our acquisition of the television broadcast stations in the fourth quarter of 2013.

Managed Broadband
The increase in data revenue in 2014 and 2013 is primarily due to a $10.2 million or 11% and $12.3 million or 15% increase in monthly contract revenue in 2014 and 2013, respectively, due to new ConnectMD® and SchoolAccess® customers and increased data network capacity purchased by our existing ConnectMD® and SchoolAccess® customers due to increased demand.

Wireline Segment Cost of Goods Sold

The individually significant items contributing to the 2014 and 2013 increases in Wireline segment Cost of Goods Sold include:

- A 17% or $10.0 million and 10% or $5.3 million increase in video Cost of Goods Sold in 2014 and 2013, respectively, primarily due to the acquisition of the television broadcast stations in the fourth quarter of 2013 and increased rates paid to programmers,
- A 28% or $10.8 million increase in managed services project Cost of Goods Sold for 2013 related to the increased special project work described above in "Wireline Segment Revenues – Business Services,"
- A 11% or $2.7 million and 102% or $12.5 million increase in 2014 and 2013 wireless device Cost of Goods Sold, respectively, primarily due to an increase in the number of handsets sold and in 2013 a decrease in subsidies received from the Wireless segment for the purchase of wireless handsets. The increase in 2014 was partially off-set by an increase in the subsidy. Through the initial AWN transaction close the Wireless segment recorded the Cost of Goods Sold related to wireless equipment sales to retail customers based upon equipment sales and agreed-upon subsidy rates. Any amount in excess of this subsidy was recorded in the Wireline segment. Subsequent to the transaction close and through March 31, 2014, although permitted, the Wireline segment was unable to meet the requirements in order to request a wireless equipment subsidy from the Wireless segment in accordance with the AWN agreements.

The increases are partially offset by the following individually significant items:

- A 23% or $11.5 million decrease in managed services project Cost of Goods Sold for 2014 related to the decreased special project work described above in "Wireline Segment Revenues - Business Services," and
- A 9% or $3.1 million decrease in voice Cost of Goods Sold for 2013 due to the continuing decrease in long distance and local service subscribers.

Wireline Segment Adjusted EBITDA
The increase in Adjusted EBITDA for 2014 is primarily due to an increase in revenues as described above in "Wireline Segment Revenues" partially offset by an increase in Cost of Goods Sold as described above in "Wireline Segment Cost of Goods Sold" and selling, general and administrative expense. The decrease in Adjusted EBITDA for 2013 is primarily due to an increase in Cost of Goods Sold as described above in "Wireline Segment Cost of Goods Sold" and selling, general and administrative expense partially offset by an increase in revenues as described above in "Wireline Segment Revenues."

Selling, General and Administrative Expenses
Selling, general and administrative expenses increased $22.6 million to $293.6 million for 2014 and $27.8 million to $271.1 million for 2013. Individually significant items contributing to the increases include:

- A $10.7 million and $9.1 million increase in labor costs for 2014 and 2013, respectively,
- A $4.3 million increase in healthcare costs for 2014,
- A $2.8 million increase in our company-wide success sharing bonus accrual for 2013,
- A $2.3 million increase in contract labor related to non-capitalizable network projects for our ConnectMD ® and SchoolAccess® customers for 2013,
- A $2.5 million increase due to an increased usage of contract labor by our operating departments for 2013, and
- $1.8 million in transaction costs in 2013 related to the AWN transaction that closed in 2013.

As a percentage of total revenues, selling, general and administrative expenses were 32%, 33%, and 34% of revenue for 2014, 2013, and 2012, respectively.

Depreciation and Amortization Expense
Depreciation and amortization expense increased $23.0 million to $170.3 million and $16.8 million to $147.3 million in 2014 and 2013, respectively. The increases in 2014 and 2013 are primarily due to new assets placed in service in those years partially offset by assets which became fully depreciated during those years. Additionally, we recorded an increase of $8.7 million and $8.8 million of depreciation and amortization expense in 2014 and 2013, respectively, for the assets acquired from ACS as part of the AWN transaction.

Other Expense, Net
Other expense, net of other income, increased $4.1 million to $74.3 million in 2014 and $2.4 million to $70.2 million in 2013. The increases in 2014 and 2013 are primarily due to increased interest expense attributable to increased borrowing on our Senior Credit Facility.

Income Tax Expense
Income tax expense totaled $10.0 million, $11.0 million, and $12.1 million in 2014, 2013, and 2012, respectively. Our effective income tax rate was 14%, 26%, and 57% in 2014, 2013, and 2012, respectively. Our effective income tax rate decreased in 2014 and 2013 due to the inclusion of income attributable to the non-controlling interest in AWN in income before income tax expense as of the transaction close in July 2013.

At December 31, 2014, we have income tax net operating loss carryforwards of $320.3 million that will begin expiring in 2020 if not utilized, and alternative minimum tax credit carryforwards of $1.7 million available to offset regular income taxes payable in future years.

We have recorded deferred tax assets of $132.0 million associated with income tax net operating losses that were generated from 2000 to 2014 and that expire from 2020 to 2034, respectively, and with charitable contributions that were converted to net operating losses in 2004 through 2007, 2013, and 2014 and that expire in 2024 through 2027, 2033, and 2034, respectively.

Tax benefits associated with recorded deferred tax assets are considered to be more likely than not realizable through future reversals of existing temporary differences and future taxable income exclusive of reversing temporary differences and carryforwards. The amount of deferred tax assets considered realizable, however, could be reduced if estimates of future taxable income during the carryforward period are reduced which would result in additional income tax expense. We estimate that our effective annual income tax rate for financial statement purposes will be 43% to 48% in the year ending December 31, 2015. The effective rate is expected to increase due

to the completion on February 2, 2015, of the transaction to purchase ACS' one-third ownership interest in AWN. Our effective income tax rate was lower in 2014 due to the inclusion of income attributable to the noncontrolling interest in AWN in income before income tax expense and the exclusion of income taxes on income attributable to the non-controlling interest in AWN.

Liquidity and Capital Resources

Our principal sources of current liquidity are cash and cash equivalents. We believe, but can provide no assurances, that we will be able to meet our current and long-term liquidity, capital requirements and fixed charges through our cash flows from operating activities, existing cash, cash equivalents, credit facilities, and other external financing and equity sources. Should operating cash flows be insufficient to support additional borrowings and principal payments scheduled under our existing credit facilities, capital expenditures will likely be reduced, which would likely reduce future revenues.

As discussed in the General Overview section of this Item 2, on July 22, 2013, we closed the initial AWN transaction. Under the terms of the Wireless Agreement, we contributed our wireless network assets and certain rights to use capacity to AWN. Additionally, ACS contributed its wireless network assets and certain rights to use capacity to AWN. As consideration for the contributed assets and liabilities, ACS received $100.0 million in cash from GCI, a one-third ownership percentage in AWN, and $50.0 million and $22.0 million in cash distributions in 2014 and 2013, respectively. We funded the purchase by borrowing $100.0 million under our Senior Credit Facility on July 17, 2013.

On February 2, 2015, we completed the Wireless Acquisition to purchase ACS' wireless subscriber base and its one-third ownership interest in AWN for $293.2 million, subject to possible post-closing adjustments. Following the close of the transaction, AWN is our wholly owned subsidiary and we are entitled to 100% of the future cash flows from AWN.

To fund the 2015 purchase from ACS, on February 2, 2015 GCI Holdings, Inc. entered into a Fourth Amended and Restated Credit and Guarantee Agreement with Credit Agricole Corporate and Investment Bank, as administrative agent, that included $275.0 million of a Term B Loan. The interest rate under the Term B Loan is LIBOR plus 3.75%, with a 1% LIBOR floor. The Term B Loan will mature on February 2, 2022 or December 3, 2020 if our Senior Notes due 2021 are not refinanced prior to such date. We also sold an unsecured promissory note to Searchlight in the principal amount of $75.0 million that will mature on February 2, 2023 and will bear interest at a rate of 7.5% per year ("Searchlight Note"). A portion of the proceeds from the Searchlight Note were used to finance the Wireless Acquisition and the remainder will be used for general corporate purposes. Additionally, we entered into a Stock Appreciation Rights Agreement pursuant to which we issued to Searchlight three million stock appreciation rights which entitles Searchlight to receive, upon exercise, an amount payable at our election in either cash or shares of GCI's Class A common stock equal in value to the excess of the fair market value of a share of GCI Class A common stock on the date of exercise over the price of $13.00.

In February 2014, the FCC announced our winning bids in the Tribal Mobility Fund I auction for a $41.4 million grant to partially fund expansion of our 3G wireless network, or better, to locations in Alaska where we would not otherwise be able to construct within our return-on-investment requirements. We filed a long-form application with the FCC by their deadline and this form was approved in October 2014. We expect to receive one-third of the grant funds in the first half of 2015 and between $6.0 and $16.0 million in additional grant fund disbursements in 2015, depending on upgrades completed and test results submitted to and approved by the FCC.

We have entered into several financing arrangements under the NMTC program which have provided a total of $32.3 million in net cash to help fund the extension of terrestrial broadband service for the first time to rural Northwestern Alaska communities via a high capacity hybrid fiber optic and microwave network. The project, called TERRA-NW, connects to our TERRA-Southwest network and provides a high capacity backbone connection from the served communities to the Internet. We began construction on TERRA-NW in 2012 and all phases of construction were complete as of December 31, 2014. We have used the entire $32.3 million of NMTC Restricted Cash to fund TERRA-NW capital expenditures.

While our short-term and long-term financing abilities are believed to be adequate as a supplement to internally generated cash flows to fund capital expenditures and acquisitions as opportunities arise, turmoil in the global financial markets may negatively impact our ability to further access the capital markets in a timely manner and on attractive terms, which may have a negative impact on our ability to grow our business.

We monitor the third-party depository institutions that hold our cash and cash equivalents. Our emphasis is primarily on safety of principal and secondarily on maximizing yield on those funds.

Our net cash flows provided by and (used for) operating, investing and financing activities, as reflected in the Consolidated Statements of Cash Flows for 2014 and 2013, are summarized as follows (amounts in thousands):

	2014	2013
Operating activities	$ 258,203	159,634
Investing activities	(202,140)	(266,351)
Financing activities	(85,632)	127,197
Net increase (decrease) in cash and cash equivalents	$ (29,569)	20,480

Operating Activities
The increase in cash flows provided by operating activities from 2013 to 2014 is due to an increase in net income and a decrease in accounts receivable due to the timing of receipt of payments.

Investing Activities
Net cash used in investing activities consists primarily of cash paid for capital expenditures and in 2013 $100.0 million to purchase wireless network assets from ACS as part of the close of the 2013 AWN transaction. Our most significant recurring investing activity has been capital expenditures and we expect that this will continue in the future. A significant portion of our capital expenditures is based on the level of customer growth and the technology being deployed.

Our cash expenditures for property and equipment, including construction in progress, totaled $176.1 million and $180.6 million during 2014 and 2013, respectively. Our cash capital expenditures decreased in 2014 primarily due to the timing of payments to vendors. Depending on available opportunities and the amount of cash flow we generate during 2015, we expect our 2015 core capital expenditures to total approximately $170.0 million.

Financing Activities
Net cash used by financing activities in 2014 consists primarily of payments to ACS for preferential cash distributions, repayment of Rural Utilities Service debt, and repurchases of our common stock. Our borrowings fluctuate from year to year based on our liquidity needs. We may use excess cash to make optional repayments on our debt or repurchase our common stock depending on various factors, such as market conditions.

Available Borrowings Under Senior Credit Facility
Our Senior Credit Facility includes a $240.0 million term loan and a $150.0 million revolving credit facility with a $25.0 million sublimit for letters of credit. We had $240.0 million outstanding under the term loan at December 31, 2014. Under the revolving portion of the Senior Credit Facility we have borrowed $39.0 million and have $22.5 million of letters of credit outstanding, which leaves $88.5 million available for borrowing as of December 31, 2014. A total of $279.0 million is outstanding as of December 31, 2014.

Debt Covenants
We are subject to covenants and restrictions applicable to our $325.0 million in aggregate principal amount of 6.75% Senior Notes due 2021 (“2021 Notes”), our $425.0 million in aggregate principal amount of 8.63% Senior Notes due 2019 ("2019 Notes"), Senior Credit Facility, and Wells Fargo note payable. We are in compliance with the covenants, and we believe that neither the covenants nor the restrictions in our indentures or loan documents will limit our ability to operate our business.

Share Repurchases
GCI’s Board of Directors has authorized a common stock buyback program for the repurchase of GCI Class A and Class B common stock in order to reduce the outstanding shares of Class A and Class B common stock. Under this program, we are currently authorized to make up to $122.2 million of repurchases as of December 31, 2014. We are authorized to increase our repurchase limit $5.0 million per quarter indefinitely and to use stock option exercise proceeds to repurchase additional shares. If stock repurchases are less than the total approved quarterly amount the difference may be carried forward and applied against future stock repurchases. During 2014 we repurchased 0.4 million shares of GCI common stock under the stock buyback program at a cost of $4.2 million. The common

stock buyback program is expected to continue for an indefinite period dependent on leverage, liquidity, company performance, and market conditions and subject to continued oversight by GCI's Board of Directors. The open market repurchases have and will continue to comply with the restrictions of Securities Exchange Act of 1934 Rule 10b-18.

Schedule of Certain Known Contractual Obligations
The following table details future projected payments associated with certain known contractual obligations as of December 31, 2014 (amounts in thousands):

	Payments Due by Period				
	Total	Less than 1 Year	1 to 3 Years	4 to 5 Years	More Than 5 Years
Long-term debt	$ 1,388,796	2,679	6,634	710,590	668,893
Interest on long-term debt	479,291	73,247	166,225	158,633	81,186
Capital lease obligations, including interest	100,429	13,444	26,887	26,890	33,208
Operating lease commitments	207,126	38,830	61,664	42,823	63,809
Purchase obligations	51,626	51,626	—	—	—
Total contractual obligations	$ 2,227,268	179,826	261,410	938,936	847,096

Long-term debt listed in the table above includes principal payments on our 2019 and 2021 Notes, Senior Credit Facility including the Term B Loan that was signed on February 2, 2015, the Searchlight Note that was signed on February 2, 2015, and the Wells Fargo note payable. Interest on the amount outstanding under our Senior Credit Facility is based on variable rates. We used the current rate paid on our Senior Credit Facility to estimate our future interest payments except that we used 4.75% to estimate our future interest payments on the Term B Loan. Our 2019 Notes require semi-annual interest payments of $18.3 million through November 2019 and our 2021 Notes require semi-annual interest payments of $11.0 million through June 2021. For a discussion of our 2019 and 2021 Notes, and Senior Credit Facility see note 6 in the accompanying "Notes to Consolidated Financial Statements."

Capital lease obligations include our obligation to lease transponder capacity on Galaxy 18. For a discussion of our capital and operating leases, see note 13 in the accompanying "Notes to Consolidated Financial Statements." We amended our transponder capacity lease agreement with Intelsat in October 2013 to lease additional transponder capacity on Intelsat's Galaxy 18 spacecraft and, as a result, on January 1, 2014 we increased our existing capital lease asset and liability by $9.4 million.

Purchase obligations include cancelable open purchase orders for goods and services for capital projects and normal operations totaling $51.6 million which are not included in our Consolidated Balance Sheets at December 31, 2014, because the goods had not been received or the services had not been performed at December 31, 2014.

Off-Balance Sheet Arrangements
We have not created, and are not party to, any special-purpose and off-balance sheet entities for the purpose of raising capital, incurring debt or operating parts of our business that are not consolidated into our financial statements. We do not have any arrangements or relationships with entities that are not consolidated into our financial statements that are reasonably likely to materially affect our liquidity or the availability of our capital resources.

Recently Issued Accounting Pronouncements
In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers,* or ASU 2014-09. This new standard provides guidance for the recognition, measurement and disclosure of revenue resulting from contracts with customers and will supersede virtually all of the current revenue recognition guidance under GAAP. The standard is effective for the first interim period within annual reporting periods beginning after December 15, 2016. Early adoption is not permitted. The standard permits the use of either the retrospective or cumulative effect transition method. We are currently evaluating the impact of the provisions of this new standard on our financial position and results of operations.

Critical Accounting Policies and Estimates

Our accounting and reporting policies comply with GAAP. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions. Our financial position and results of operations can be affected by these estimates and assumptions, which are integral to understanding reported results. Critical accounting policies are those policies that management believes are the most important to the portrayal of our financial condition and results, and require management to make estimates that are difficult, subjective or complex. Most accounting policies are not considered by management to be critical accounting policies. Several factors are considered in determining whether or not a policy is critical in the preparation of financial statements. These factors include, among other things, whether the estimates are significant to the financial statements, the nature of the estimates, the ability to readily validate the estimates with other information including third parties or available prices, and sensitivity of the estimates to changes in economic conditions and whether alternative accounting methods may be utilized under GAAP. For all of these policies, management cautions that future events rarely develop exactly as forecast, and the best estimates routinely require adjustment. Management has discussed the development and the selection of critical accounting policies with our Audit Committee.

Those policies and estimates considered to be critical for the year ended December 31, 2014 are described below.

Revenue Recognition

The accounting estimates related to revenues from the Remote high cost, rural health, and schools and libraries USF programs are dependent on various inputs including our estimate of the statewide support cap, our assessment of the impact of new FCC regulations, the potential outcome of FCC proceedings and the potential outcome of USAC contract reviews. Some of the inputs are subjective and based on our judgment regarding the outcome of certain variables and are subject to upward or downward adjustment in subsequent periods. Significant changes to our estimates could result in material changes to the revenues we have recorded and could have a material effect on our financial condition and results of operations.

Allowance for Doubtful Receivables

We maintain allowances for doubtful receivables for estimated losses resulting from the inability of our customers to make required payments. We also maintain an allowance for doubtful receivables based on notification that a customer may not have satisfactorily complied with rules necessary to obtain supplemental funding from USAC for services provided by us under our packaged communications offerings to rural hospitals, health clinics and school districts. We base our estimates on the aging of our accounts receivable balances, financial health of specific customers, regional economic data, changes in our collections process, regulatory requirements, and our customers' compliance with USAC rules. If the financial condition of our customers were to deteriorate or if they are unable to emerge from reorganization proceedings, resulting in an impairment of their ability to make payments, additional allowances may be required. If their financial condition improves, or they emerge successfully from reorganization proceedings, allowances may be reduced. Such allowance changes could have a material effect on our financial condition and results of operations.

Impairment and Useful Lives of Intangible Assets

We had $510.6 million of indefinite-lived intangible assets at December 31, 2014, consisting of goodwill of $229.6 million, cable certificates of $191.6 million, wireless licenses of $86.3 million, and broadcast licenses of $3.1 million. Our indefinite-lived intangible assets are tested annually for impairment during the fourth quarter and at any time upon the occurrence of certain events or substantive changes in circumstances that indicate the assets might be impaired.

We are allowed to first assess qualitative factors ("Step Zero") to determine whether it is more likely than not that goodwill is impaired, however, we chose to assess goodwill for impairment using the traditional quantitative two-step process. The first step of the quantitative goodwill impairment test is used to identify potential impairment by comparing the fair value of a reporting unit with its carrying amount. To determine our reporting units, we evaluate the components one level below the segment level and we aggregate the components if they have similar economic characteristics. As a result of this assessment, our reporting units are the same as our two reportable segments. If the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment test compares the implied fair value of the reporting unit's goodwill with the carrying amount of that goodwill. If the carrying amount of the reporting unit's goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess. The implied fair value of goodwill is determined in the same manner as the amount of goodwill that would be recognized in a business combination.

We are allowed to perform a Step Zero analysis for our annual test over our indefinite-lived intangible assets other than goodwill. However, we chose to test for impairment using the traditional quantitative approach. The impairment test for identifiable indefinite-lived intangible assets other than goodwill consists of a comparison of the estimated fair value of the intangible asset with its carrying value. If the carrying value of the intangible asset exceeds its fair value, an impairment loss is recognized in an amount equal to that excess.

Goodwill represents the excess of cost over fair value of net assets acquired in connection with a business acquisition. We use an income approach to determine the fair value of our reporting units for purposes of our goodwill impairment test. In addition, a market-based approach is used where possible to corroborate the fair values determined by the income approach.

Our cable certificates represent agreements with government entities to construct and operate a video business. The value of our cable certificates is derived from the economic benefits we receive from the right to solicit new customers and to market new services. The amount we have recorded for cable certificates is from cable system acquisitions. The cable certificates are valued under a direct discounted cash flow method whereby the cash flow associated with existing customers is isolated after appropriate contributory asset charges and then projected based on an analysis of customer churn and attrition characteristics.

Our wireless licenses are from the FCC and give us the right to provide wireless service within a certain geographical area. The amount we have recorded is from acquisitions of wireless companies and auctions of wireless spectrum. We use comparable market transactions from recent FCC auctions, as appropriate, and a hypothetical build-up method to value our wireless licenses.

Our broadcast licenses are from the FCC and give us the right to broadcast television stations within a certain geographical area. We used a hypothetical build-up method to value our broadcast licenses.

The direct discounted cash flow, hypothetical build-up, and income approach valuation methods require us to make estimates and assumptions including projected cash flows, discount rate, customer churn, and customer behaviors and attrition. These estimates and assumptions could have a significant impact on whether an impairment charge is recognized and the magnitude of any such impairment charge. Fair value estimates are made at a specific point in time, based on relevant information. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates. Events and factors that may be out of our control that could affect the estimates include such things as competitive forces, customer behaviors, change in revenue growth trends, cost structures and technology, and changes in discount rates, performance compared to peers, material and ongoing negative economic trends, and specific industry or market sector conditions. We may also record impairments in the future if there are changes in long term market conditions, expected future operating results, or laws and regulations that may prevent us from recovering the carrying value of our indefinite-lived intangible assets .

We have allocated all of the goodwill to our reporting units and based on our annual impairment test as of October 31, 2014, the fair value of each reporting unit exceeded the book value by a range between 25% and 26%, which we believe is a large margin. We believe none of our reporting units were close to failing step one of the goodwill impairment test.

Based on our annual impairment test as of October 31, 2014, the fair value of our cable certificates exceeded the book value by 94% and $179.4 million, which we believe is a large margin. The fair value of our wireless licenses exceeded the book value by 11% and $9.7 million as of October 31, 2014, which we believe is a large margin.

Valuation Allowance for Net Operating Loss Deferred Tax Assets

Our income tax policy provides for deferred income taxes to show the effect of temporary differences between the recognition of revenue and expenses for financial and income tax reporting purposes and between the tax basis of assets and liabilities and their reported amounts in the financial statements. We have recorded deferred tax assets of $132.0 million associated with income tax net operating losses that were generated from 2000 to 2014, and that primarily expire from 2020 to 2034, and with charitable contributions that were converted to net operating losses in 2004 to 2007, 2013, and 2014 and that expire in 2024 to 2027, 2033, and 2034,

respectively. We have recorded deferred tax assets of $1.7 million associated with alternative minimum tax credits that do not expire. Significant management judgment is required in developing our provision for income taxes, including the determination of deferred tax assets and liabilities and any valuation allowances that may be required against the deferred tax assets. We have not recorded a valuation allowance on the deferred tax assets as of December 31, 2014, based on management's belief that future reversals of existing temporary differences and estimated future taxable income exclusive of reversing temporary differences and carryforwards will, more likely than not, be sufficient to realize the benefit of these assets over time. In the event that actual results differ from these estimates or if our historical trends change, we may be required to record a valuation allowance on deferred tax assets, which could have a material adverse effect on our consolidated financial position or results of operations.

Other significant accounting policies, not involving the same level of measurement uncertainties as those discussed above, are nevertheless important to an understanding of the financial statements. A complete discussion of our significant accounting policies can be found in note 1 in the accompanying "Notes to Consolidated Financial Statements."

Regulatory Developments
See "Part I — Item 1 — Business — Regulation" for more information about regulatory developments affecting us.

Inflation
We do not believe that inflation has a significant effect on our operations.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk
We are exposed to various types of market risk in the normal course of business, including the impact of interest rate changes. Our Senior Credit Facility carries interest rate risk. Amounts borrowed under our Senior Credit Facility bear interest at LIBOR plus 2.75% or less depending upon our Total Leverage Ratio (as defined in the Senior Credit Facility). Should the LIBOR rate change, our interest expense will increase or decrease accordingly. As of December 31, 2014, we have borrowed $288.8 million subject to interest rate risk. On this amount, each 1% increase in the LIBOR interest rate would result in $2.9 million of additional gross interest cost on an annualized basis. All of our other material borrowings have a fixed interest rate. We do not hold derivatives.

Item 8. Consolidated Financial Statements and Supplementary Data
Our consolidated financial statements are filed under this Item, beginning on page 78. Our supplementary data is filed under Item 7, beginning on page 30.

Item 9. Changes In and Disagreements With Accountants on Accounting and Financial Disclosure
None.

Item 9A. Controls and Procedures
Evaluation of Disclosure Controls and Procedures
We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Securities Exchange Act of 1934 ("Exchange Act") is recorded, processed, summarized, accumulated and communicated to our management, including our principal executive and financial officers, to allow timely decisions regarding required financial disclosure, and reported as specified in the SEC's rules and forms. As of the end of the period covered by this Annual Report on Form 10-K, we carried out an evaluation of the effectiveness of the design and operation of our "disclosure controls and procedures" (as defined in Exchange Act Rule 13a - 15(e)) under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer. Based on that evaluation and as described below under "Management's Report on Internal Control Over Financial Reporting," our management, including our Chief Executive Officer and our Chief Financial Officer, concluded that our disclosure controls and procedures were not effective as of December 31, 2014, as a result of the material weakness described below.

The certifications attached as Exhibits 31 and 32 to this report should be read in conjunction with the disclosures set forth herein.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations (COSO) in 2013.

Based on our evaluation of the effectiveness of our internal control over financial reporting, our management concluded that as of December 31, 2014, we did not maintain effective internal control over financial reporting due to a material weakness associated with inadequately designed internal controls in our financial reporting process related to the calculation of our income tax expense during all quarters in 2014. See note 14, Selected Quarterly Financial Data (Unaudited), included in Part IV of this annual report on Form 10-K for further discussion of this immaterial error correction.

Grant Thornton LLP, our independent registered public accounting firm, has issued an audit report on our internal control over financial reporting as of December 31, 2014, which is included in Item 8 of this Form 10-K.

Management's Plan for Remediation of Material Weakness

In the first quarter of 2015 we will remediate our inadequately designed internal controls in our financial reporting process related to the calculation of our income tax expense. We will strengthen the design and operation of our controls over the initial calculation and the review and approval of the calculation. We will reinforce to staff responsible that a heightened sense of awareness is needed during the initial preparation, as well as to any subsequent changes, and during analysis of the result. Changes to the process will be documented to ensure consistent application.

Changes in Internal Control Over Financial Reporting

On July 22, 2013, we closed the transactions under the Wireless Agreement entered into on June 4, 2012, pursuant to which the parties agreed to contribute the respective wireless network assets of GCI, ACS and their affiliates to AWN. In 2014 we implemented AWN's internal control over financial reporting associated with the provision of wholesale services to ACS.

Except as described above there were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) identified in connection with the evaluation of our controls performed during the quarter ended December 31, 2014, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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

Internal control over financial reporting has inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of such limitations, there is a risk that material misstatements will not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

We may enhance, modify, and supplement internal controls and disclosure controls and procedures based on experience.

Item 9B. Other Information

None.

Part III

Item 10. Directors, Executive Officers and Corporate Governance

Identification

As of December 31, 2014, our board consisted of nine director positions, divided into three classes of directors serving staggered three-year terms.

A director on our board is elected at an annual meeting of shareholders and serves until the earlier of his or her resignation or removal, or his or her successor is elected and qualified. Our executive officers generally are appointed at our board's meeting immediately preceding each annual meeting of shareholders and serve at the discretion of the board.

The following table sets forth certain information about our directors and executive officers as of December 31, 2014:

Name	Age	Position
Stephen M. Brett[1]	74	Chairman, Director
Ronald A. Duncan[1]	62	President, Chief Executive Officer and Director
Peter J. Pounds	41	Senior Vice President, Chief Financial Officer, and Secretary
G. Wilson Hughes	69	Chief Executive Officer, The Alaska Wireless Network
William C. Behnke	57	Senior Vice President
Martin E. Cary	50	Vice President – General Manager, Managed Broadband Services
Gregory F. Chapados	57	Executive Vice President and Chief Operating Officer
Paul E. Landes	56	Senior Vice President and General Manager, Consumer Services
Gregory W. Pearce	51	Vice President and General Manager, Business Services
Tina M. Pidgeon	46	Senior Vice President, Chief Compliance Officer, General Counsel and Government Affairs
Bridget L. Baker[1]	54	Director
Jerry A. Edgerton[1]	72	Director
Scott M. Fisher[1]	48	Director
William P. Glasgow[1]	56	Director
Mark W. Kroloff[1]	57	Director
Stephen R. Mooney[1]	55	Director
James M. Schneider[1]	62	Director

[1]The present classification of our board is as follows: (1) Class I – Messrs. Edgerton and Kroloff and Ms. Baker, whose present terms expire at the time of our 2017 annual meeting; (2) Class II – Messrs. Brett, Duncan and Mooney whose present terms expire at the time of our 2015 annual meeting; and (3) Class III – Messrs. Fisher, Glasgow, and Schneider, whose present terms expire at the time of our 2016 annual meeting.

The board, when considering whether directors have the experience, qualifications, attributes or skills, taken as a whole, to enable the board to satisfy its oversight responsibilities effectively in light of the Company's business and structure, focused primarily on each person's background and experience. We believe that the Company's directors have backgrounds that, when combined, provide us with a board equipped to direct us through an ever challenging course in the segments of the telecommunication business in which we are involved. Attributes of members of our board include experience in entrepreneurial, cable service, telecommunication, technological and financial aspects of companies similar to, as well as much larger than, us.

In particular, our board considered important the following regarding its members. With regard to Mr. Brett, our board considered his telecommunications and cable experience, as well as his over 40 year experience as a corporate lawyer. With regard to Ms. Baker, our board considered her experience with broadcast and cable networks. With regards to Messrs. Fisher and Glasgow, our board considered the broad backgrounds of these individuals in finance and their operational experience with cable companies. With regards to Messrs. Edgerton

and Mooney, our board considered the extensive experience and expertise of these individuals in business development in the telecommunications industry. Our board also considered the broad perspective brought by Mr. Kroloff's experience in operating diverse businesses throughout Alaska as well as his experience as a lawyer. With regard to Mr. Schneider, our board considered his significant financial and accounting experience including his time spent as Chief Financial Officer of a large public company.

Our board also considered the many years of experience with the Company represented by Mr. Duncan, our President and Chief Executive Officer. He has been with the Company since he co-founded it.

Many of our directors, including Messrs. Edgerton, Glasgow, Kroloff, Mooney and Schneider, were initially proposed for nomination by (or, in the case of Mr. Kroloff, through a request from Mr. Duncan to) holders of significant amounts of Company shares. Our board has retained each of these directors, even after the shareholders have exited the Company or no longer have retained a right to nominate a director, due to the valued expertise our board feels they provide as members.

Stephen M. Brett. Mr. Brett has served as Chairman of our board since June 2005 and as a director on our board since January 2001. He has been of counsel to Sherman & Howard, L.L.C., a law firm, since January 2001. He was Senior Executive Vice President for AT&T Broadband from March 1999 to April 2000. His present term as a director on our board expires at the time of our 2015 annual meeting.

Ronald A. Duncan. Mr. Duncan is a co-founder of the Company and has served as a director on our board since 1979. Mr. Duncan has served as our President and Chief Executive Officer since January 1989. His present term as director on the board expires at the time of our 2015 annual meeting.

Peter J. Pounds. Mr. Pounds became our Chief Financial Officer and one of our Senior Vice Presidents effective January 1, 2014. Prior to that he served as Vice President, Finance since 2009. Prior to that, he served as Senior Financial Analyst.

G. Wilson Hughes. Mr. Hughes has served as the Chief Executive Officer of The Alaska Wireless Network, LLC since July 22, 2013. Prior to that he served as our Executive Vice President – Wireless from June 4, 2012 to July 22, 2013. Prior to that, he served as our Executive Vice President and General Manager from June 1991 to June 4, 2012.

William C. Behnke. Mr. Behnke has served as one of our Senior Vice Presidents since January 2001.

Martin E. Cary. Mr. Cary has served as our Vice President – General Manager, Managed Broadband Services since September 2004.

Gregory F. Chapados. Mr. Chapados has served as our Executive Vice President and Chief Operating Officer since June 2012. Prior to that, he served as one of our Senior Vice Presidents from June 2006 to June 2012.

Paul E. Landes. Mr. Landes has served as one of our Senior Vice Presidents and as General Manager, Consumer Services since December 2010. Prior to that, he served as our Vice President and General Manager, Consumer Services from September 2005 to December 2010.

Gregory W. Pearce. Mr. Pearce has served as our Vice President and General Manager, Business Services since June 2010. Prior to that, he served as our Vice President and General Manager, Commercial Services beginning in September 2005.

Tina M. Pidgeon. Ms. Pidgeon has served as our Senior Vice President, Chief Compliance Officer, General Counsel and Government Affairs, since September 2010. Prior to that, she served as our Vice President, Federal Regulatory Affairs from January 2003 to September 2010.

Bridget L. Baker. Ms. Baker has served as a director on our board since July 2013. Since January 2013, she has been a Principal of Baker Media, Inc., an entertainment and media consulting firm that she founded. From 2006 to 2012, she was NBCUniversal's President of TV Networks Distribution where she oversaw the North American distribution of NBCUniversal's content across the cable, satellite, and telecommunications industry. Her present term as a director on our board expires at the time of our 2017 annual meeting.

***Jerry A. Edgerton*.** Mr. Edgerton has served as a director on our board since June 2004. Since January 2013, he has been Chief Executive Officer of Cumulus Solutions, Inc., a provider of visual collaboration tools. From September 2011 to December 2012, he was President of Global Services for iNETWORKS Group, Inc., a comprehensive telecommunications solutions provider. From July 2009 to August 2011, he was President of Government Markets for Core 180, a network integrator for large governmental and commercial customers. From November 2007 to May 2009, he was Chief Executive Officer for Command Information, Inc., a next generation Internet service company. From April 2007 to October 2007, Mr. Edgerton was an advisor on matters affecting the telecommunications industry as well as the U.S. government. Prior to that and from January 2006 to April 2007, he was Group President of Verizon Federal. Prior to that and from November 1996, he was Senior Vice President – Government Markets for MCI Communications Corporation, an affiliate of MCI, which was later acquired by Verizon Communications, Inc. His present term as a director on our board expires at the time of our 2017 annual meeting.

***Scott M. Fisher*.** Mr. Fisher has served on our board since December 2005. From 1998 to the present, he has been a partner of Fisher Capital Partners, Ltd., a private equity and real estate investment company located in Denver, Colorado. During that time, Fisher Capital owned and operated Peak Cablevision, a multiple system cable television operator with approximately 120,000 subscribers. At Peak Cablevision, Mr. Fisher was responsible for television programming and corporate development. From June 1990 to April 1998, he was Vice President at The Bank of New York and BNY Capital Resources Corporation, an affiliate of The Bank of New York, where he worked in the corporate lending and commercial leasing departments. Mr. Fisher serves on the advisory boards of several private companies. His present term as director on our board expires at the time of our 2016 annual meeting.

***William P. Glasgow*.** Mr. Glasgow has served as a director on our board since 1996. From 2005 to the present, Mr. Glasgow has been Chief Executive Officer of AmericanWay Education. From 1999 to December 2004, he was President/CEO of Security Broadband Corp. From 2000 to the present Mr. Glasgow has been President of Diamond Ventures, L.L.C., a Texas limited liability company and sole general partner of Prime II Management, L.P., and Prime II Investments, L.P., both of which are Delaware limited partnerships. Since 1996, he has been President of Prime II Management, Inc., a Delaware corporation, which was formerly the sole general partner of Prime II Management, L.P. His present term as a director on our board expires at the time of our 2016 annual meeting.

Mark W. Kroloff. Mr. Kroloff has served as a director on our board since February 2009. Since January 2010, he has been a principal at First Alaskan Capital Partners, LLC, an investment firm. From May 2005 to December 2009, he was Senior Executive Vice President and Chief Operating Officer of Arctic Slope Regional Corporation ("ASRC"), an Alaska Native regional corporation formed pursuant to the Alaska Native Claims Settlement Act. From 2001 to April 2005, Mr. Kroloff was Chief Operating Officer of Cook Inlet Region, Inc., also an Alaska Native regional corporation. Prior to that, from 1989 to 2001 he was Vice President and General Counsel of Cook Inlet Region, Inc. He also serves on the board of managers for Trilogy International Partners, LLC. Mr. Kroloff's present term as a director on our board expires at the time of our 2017 annual meeting.

***Stephen R. Mooney*.** Mr. Mooney has served as a director on our board since January 1999. He has been a Partner at Chessiecap Securities, Inc., an investment bank specializing in technology and telecommunications services based in Maryland since 2012. From April 2010 to 2012, Mr. Mooney was a Managing Director with the McClean Group, LLC, a national financial advisory services firm. From February 2008 to November 2009, Mr. Mooney was Vice President, Business Development for Affiliated Computer Services, Inc., a global information technology and business process outsourcing company. From January 2006 to September 2007, he was Executive Director, Business Development of VerizonBusiness, a unit of Verizon. Prior to that, he was Vice President, Corporate Development and Treasury Services at MCI beginning in 2002. From 1999 to 2002, he was Vice President of WorldCom Ventures Fund, Inc. His present term as a director on our board expires at the time of our 2015 annual meeting.

***James M. Schneider*.** Mr. Schneider has served as a director on our board since July 1994. He has been Chairman of Frontier Bancshares, Inc. since February 2007. Prior to that, Mr. Schneider had been Senior Vice President and Chief Financial Officer for Dell, Inc. from March 2000 to February 2007. Prior to that, he was Senior Vice President – Finance for Dell Computer Corporation from September 1998 to March 2000. From 2012 to the present Mr. Schneider has been an Operating Partner for Lead Edge Capital. He served on the board of directors of GAP, Inc. from September 2003 to October 2010. Mr. Schneider also served on the board of directors of Lockheed Martin Corporation from December 2005 to August 2010. His present term as a director on our board expires at the time of our 2016 annual meeting.

Section 16(a) Beneficial Ownership Reporting Compliance

During 2014, one of our Directors (Mr. Edgerton) inadvertently failed to file a Form 4 with the SEC that was due on May 30, 2014, however, the filing was made on June 25, 2014.

Code of Business Conduct and Ethics

Our current Code of Business Conduct and Ethics ("Ethics Code"), was adopted by our board in 2013. It applies to all of our officers, directors and employees. The Ethics Code takes as its basis a set of business principles adopted by our board several years ago. It also builds upon the basic requirements for a code of ethics as required by federal securities law and rules adopted by the SEC.

Through our Ethics Code, we reaffirm our course of business conduct and ethics as based upon key values and characteristics and through adherence to a clear code of ethical conduct. Our Ethics Code promotes honest and ethical conduct, including ethical handling of actual or apparent conflicts of interest between personal and professional relationships of our employees. It also promotes full, fair, accurate, timely and understandable disclosure in our reports and documents filed with, or submitted to, the SEC and other public communications made by us. Our Ethics Code further promotes compliance with applicable governmental laws, rules and regulations, internal reporting of violations of the code to appropriate persons as identified in the code and accountability for adherence to the code.

A copy of our Ethics Code is displayed on our Internet website at www.gci.com. Except for the Ethics Code, and any other documents specifically incorporated herein, no information contained on the Company’s website shall be incorporated by reference in this Form 10-K.

No Change in Nominating Procedure

There were no changes made during 2014 to the procedure by which our shareholders may recommend nominees to our board.

Litigation and Regulatory Matters

We were, as of December 31, 2014, involved in several administrative and civil action matters primarily related to our telecommunications markets in Alaska and the remaining 49 states and other regulatory matters. These actions are discussed in more detail elsewhere in this report. See "Part I – Item 3 – Legal Proceedings." However, as of that date, our board was unaware of any legal proceedings in which one or more of our directors, officers, affiliates or owners of record or beneficially of more than 5% of any class of our voting securities, or any associates of the previously listed persons were parties adverse to us or any of our subsidiaries. Furthermore, as of that date, our board was unaware of any events occurring during the past 10 years materially adverse to an evaluation of the ability or integrity of any director, person nominated to become a director or executive officer of the Company.

In December 2010, Mr. Schneider settled charges brought against him by the SEC for actions that allegedly took place when he was the chief financial officer at Dell, Inc. Mr. Schneider is no longer employed by Dell, Inc. He settled the charges and consented to the issuance of an SEC administrative order without admitting or denying the SEC's findings, with limited exceptions. The limited exceptions are acknowledgment of the SEC's jurisdiction over Mr. Schneider and the subject matter of the SEC proceedings brought against him, and the SEC findings with respect to litigation involving that company and certain of its senior executive officers including Mr. Schneider. The court in that litigation entered an order permanently enjoining Mr. Schneider, by consent, from future violations of specified provisions of federal securities law. Mr. Schneider paid, as specified in the court's order, $3 million as a civil money penalty and $83,096 in disgorgement of ill-gotten gains, as well as $38,640 in prejudgment interest. In the settlement with the SEC, Mr. Schneider has further consented to his suspension from appearing or practicing before the SEC as an accountant for at least five years, after which time he may request reinstatement by application to the SEC.

Audit Committee, Audit Committee Financial Expert

We have a board audit committee ("Audit Committee") comprised of several members of our board, i.e., Messrs. Mooney (Chair), Fisher, and Glasgow.

Our Audit Committee is governed by, and carries out its responsibilities under, an Audit Committee Charter, as adopted and amended from time to time by our board ("Audit Committee Charter"). The charter sets forth the purpose of the Audit Committee and its membership prerequisites and operating principles. It also requires our Audit Committee to select our independent, registered, public accounting firm to provide for us accounting and audit services ("External Accountant") and sets forth other primary responsibilities. A copy of our Audit Committee Charter is available to our shareholders on our Internet website: www.gci.com.

The Nasdaq corporate governance listing standards require that at least one member of our Audit Committee must have past employment experience in finance or accounting, requisite professional certification in accounting, or comparable experience or background which results in the individual's "financial sophistication." This financial sophistication may derive from the person being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.

Our board believes that Messrs. Fisher, Glasgow and Mooney, are audit committee financial experts ("Audit Committee Financial Experts") and also meet the Nasdaq requirements for financial sophistication. Our board further believes that Messrs. Fisher, Glasgow and Mooney are each an independent director as the term is defined in the Nasdaq Stock Market corporate listing standards (to which the Company is subject), i.e., an individual other than one of our executive officers or employees or any other individual having a relationship which in the opinion of our board would interfere in carrying out the responsibilities of a director ("Independent Director") and are independent as defined by Rule 10A-3(b)(1) under the Exchange Act.

Under the SEC's rules, an Audit Committee Financial Expert is defined as a person who has all of the following attributes:

- Understanding of GAAP and financial statements.
- Ability to assess the general application of GAAP in connection with accounting for estimates, accruals and reserves.
- Experience in preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by our financial statements, or experience actively supervising one or more persons engaged in such activities.
- Understanding of internal control over financial reporting.
- Understanding of audit committee functions.

The Audit Committee Charter specifies how one may determine whether a person has acquired the attributes of an Audit Committee Financial Expert. They are one or more of the following:

- Education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor or experience in one or more positions that involved the performance of similar functions.
- Experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions.
- Experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements.
- Other relevant experience.

Our Audit Committee acts on behalf of our board and generally carries out specific duties including the following, all of which are described in detail in our Audit Committee Charter:

- ***Principal Accountant Selection, Qualification –*** Is directly responsible for appointment, compensation, retention, oversight, qualifications and independence of our External Accountant.
- ***Financial Statements –*** Assists in our board's oversight of integrity of the Company financial statements.
- ***Financial Reports, Internal Control –*** Is directly responsible for oversight of the audit by our External Accountant of our financial reports and reports on internal control.
- ***Annual Reports –*** Prepares reports required to be included in our annual proxy statement.
- ***Complaints –*** Receives and responds to certain complaints relating to internal accounting controls, and auditing matters, confidential, anonymous submissions by our employees regarding questionable accounting or auditing matters, and certain alleged illegal acts or behavior-related conduct in violation of our Ethics Code. See "Part III – Item 10 – Code of Business Conduct and Ethics."
- ***Principal Accountant Disagreements –*** Resolves disagreements, if any, between our External Accountant and us regarding financial reporting.
- ***Non-Audit Services –*** Reviews and pre-approves any non-audit services (audit-related, tax and other non-audit related services) offered to us by our External Accountant ("Non-Audit Services").
- ***Attorney Reports –*** Addresses certain attorney reports, if any, relating to violation of securities law or fiduciary duty by one of our officers, directors, employees or agents.
- ***Related Party Transactions –*** Reviews certain related party transactions as described elsewhere in this report. See "Part III – Item 13 – Certain Transactions."
- ***Other –*** Carries out other assignments as designated by our board.

Item 11. Executive Compensation

Compensation Discussion and Analysis

Overview –

Compensation of our executive officers and directors during 2014 was subject to processes and procedures carried out through our Compensation Committee ("Compensation Program"). This compensation discussion and analysis ("Compensation Discussion and Analysis") addresses the material elements of our Compensation Program as applied to our Chief Executive Officer, our Chief Financial Officer, and to each of our three other most highly compensated executive officers other than the Chief Executive Officer and Chief Financial Officer who were serving as executive officers as of December 31, 2014. All five of these officers are identified in the Summary Compensation Table ("Named Executive Officers"). See "Part III – Item 11 – Executive Compensation: Summary Compensation Table."

Both the Compensation Committee and the Company believe that the compensation paid to the Named Executive Officers under our Compensation Program is fair, reasonable, competitive and consistent with our Compensation Principles. See "Part III – Item 11 – Compensation Discussion and Analysis: Principles of the Compensation Program."

Our Compensation Committee is composed of Messrs. Brett, Edgerton (Chair), Mooney, and Schneider. All of the members of the committee are considered by our board to be Independent Directors.

The charter of the Compensation Committee guides decisions regarding our Compensation Program, the aspects of which are described elsewhere in this report. See "Part III – Item 11 – Compensation Discussion and

Analysis: Process." A copy of our Compensation Committee Charter is available to our shareholders on our Internet website: www.gci.com.

Our Charter of the Compensation Committee sets forth the scope of authority of our Compensation Committee and requires the committee to carry out the following:

- Review, on an annual basis, plans and targets for executive officer and board member compensation, if any –
    - Review is specifically to address expected performance and compensation of, and the criteria on which compensation is based for, the Chief Executive Officer and such other of our executive officers as our board may designate for this purpose.
- Monitor the effect of ongoing events on, and the effectiveness of, existing compensation policies, goals, and plans –
    - Events specifically include but are not limited to the status of the premise that all pay systems correlate with our compensation goals and policies.
    - Report from time to time, its findings to our board.
- Administer our Amended and Restated 1986 Stock Option Plan ("Stock Option Plan") and approve grants of options and awards pursuant to the plan.
- Strive to make our compensation plans fair and structured so as to maximize shareholder value.

In carrying out its duties, our Compensation Committee may accept for review and inclusion in its annual review with our board, recommendations from our Chief Executive Officer as to expected performance and compensation of, and the criteria on which compensation is based for, executive officers. See "Part III – Item 11 – Compensation Discussion and Analysis: Process."

Principles of the Compensation Program –

Our Compensation Program is based upon the following principles ("Compensation Principles"):

- Compensation is related to performance and must cause alignment of interests of executive officers with the long term interests of our shareholders.
- Compensation targets must take into consideration competitive market conditions and provide incentives for superior performance by the Company.
- Actual compensation must take into consideration the Company's and the executive officer's performance over the prior year and the long term, and the Company's resources.
- Compensation is based upon both qualitative and quantitative factors.
- Compensation must enable the Company to attract and retain management necessary to cause the Company to succeed.

Process –

Overview. Our Compensation Committee reviews and approves the base salary, incentive and other compensation of our Chief Executive Officer and senior executive officers, including the Named Executive Officers. The analyses and recommendations of the Chief Executive Officer on these matters may be considered by our Compensation Committee in its deliberations and approvals.

Other elements of executive compensation and benefits as described in this section are also reviewed by our Compensation Committee on a regular basis.

Implementation. Discussions on executive compensation and benefits made by the Compensation Committee have been guided by our Compensation Principles. The elements of compensation as described later in this

section are believed by the Compensation Committee to be integral and necessary parts of the Compensation Program.

Our Compensation Committee has concluded that each individual segment of each element of executive compensation continues generally to be consistent with one or more of our Compensation Principles. Our Compensation Committee has further concluded the amount of compensation provided by the segment is reasonable, primarily based upon a comparison of the compensation amounts and segments we provide when compared to those offered by other similar companies in our industry and in our market.

Our process for determining executive compensation and benefits does not involve a precise and identifiable formula or link between each element and our Compensation Principles. However, it takes into consideration market practice and information provided by our management. Furthermore, it is based upon the relationship of compensation as shall be paid and financial performance of the Company. It is also the result of discussion among our Compensation Committee members and management. Ultimately it is based upon the judgment of our Compensation Committee.

Each year our Compensation Committee reviews elements of compensation for each of our senior executive officers including, for 2014, the Named Executive Officers.

In 2010, base salary and incentive stock targets were compared to survey data and amounts offered by a group of similar companies. The Company's relative financial performance was reviewed in order to determine what a reasonable amount of compensation might be in relation to its peer group. The compensation peer group is principally made up of the following:

- Companies in industries similar to our Company.
- Companies with which our Company competes for executive talent.
- Our Company's direct business competitors.
- Companies that compete with our Company for investment dollars.

The compensation peer group list used in determining the reasonableness of our Compensation Program consisted of 16 companies as follows:

Alaska Communications Systems Group, Inc.	Knology, Inc.
C Beyond, Inc.	Mediacom Communications Corp.
Cincinnati Bell, Inc.	Premiere Global Services, Inc.
Consolidated Communications Holdings, Inc.	RCN Corp
Crown Media Holdings, Inc.	SureWest Communications
Equinix, Inc.	Time Warner Telecom, Inc.
Grande Communications	Wave Broadband
Iowa Telecommunications Services, Inc.	XO Holdings, Inc.

Individual levels of base compensation were generally targeted to be set within a range of between the 50th and 75th percentile, based upon the executive's individual performance in the prior year relative to his or her peers, the executive's future potential, and the scope of the executive's responsibilities and experience. Input from the individual executives in terms of their expectation and requirements were considered as well.

We believe this method of setting compensation enables the Company to attract and retain individuals who are necessary to lead and manage the Company while enabling the Company to differentiate between executives and performance levels and responsibility. The comparison to other companies also allowed the Compensation Committee to determine the reasonableness of the balance between long-term incentive and annual base compensation.

The Compensation Committee determined that, in general, base compensation levels for the Company's senior officers were reasonable and within the 50 th and 75th percentile when compared to officers of companies in our peer group having comparable financial performance when it completed its review in 2010.

Based on its review in 2010, the Compensation Committee established a four year compensation plan that ended in 2013. During 2014, the Compensation Committee analyzed such things as the economy and the business environment in which the Company operates to determine if any modifications were needed to the four year compensation plan established during 2010. Based on its review, the Compensation Committee concluded that that the salaries and incentive compensation established in 2010 were still appropriate for the senior executive officers with a few exceptions. See “Part III – Item 11 – Compensation Discussion and Analysis: Performance Rewarded.” The Compensation Committee believes the framework established in 2010 continues to provide an effective framework upon which the Compensation Program is based. The Compensation Committee has modified the Compensation Program at its discretion to continue its effectiveness for motivating the senior executive officers and aligning their interests with the long term interests of our shareholders and believes it is appropriate through 2016.

Elements of Compensation –

Overview. For 2014, the elements of compensation in our Compensation Program were as follows:

- Base Salary.
- Incentive Compensation Bonus Plan ("Incentive Compensation Plan").
- Stock Option Plan.
- Perquisites.
- Retirement and Welfare Benefits.

As of December 31, 2014, there were no compensatory plans or arrangements providing for payments to any of the Named Executive Officers in conjunction with any termination of employment or other working relationship of such an officer with us (including without limitation, resignation, severance, retirement or constructive termination of employment of the officer). Furthermore, as of that date, there were no such plans or arrangements providing for payments to any of the Named Executive Officers in conjunction with a change of control of us or a change in such an officer's responsibilities to us. However, in the event of a change in control, the options and restricted stock of our Named Executive Officers could vest. See "Part III – Item 11 – Executive Compensation: Potential Payments upon Termination or Change-in-Control."

The Company has no requirements with respect to security ownership by its officers or directors, and it has no policies regarding hedging the economic risk of ownership of Company equity. Executive officers are invited to provide their input with respect to their compensation to the Compensation Committee primarily through our Chief Executive Officer.

A Named Executive Officer participating in the Compensation Program could, under terms of the corresponding Incentive Compensation Plan agreement with us and pursuant to our Deferred Compensation Plan, elect to defer a significant portion of that compensation. In this instance, the Named Executive Officer becomes our unsecured creditor. See "Part III – Item 11 – Nonqualified Deferred Compensation."

Base Salary. Effective January 1, 2014, based upon the process previously described in this section, the base salaries reported in the Summary Compensation Table (see "Part III – Item 11 – Executive Compensation: Summary Compensation Table") were approved by the Compensation Committee.

Mr. Duncan's base salary reflects cash compensation of $925,000 per year. Mr. Duncan's duties remained unchanged during 2014.

Mr. Hughes' base salary reflects cash compensation of $362,500 per year and $125,000 credited to his Deferred Compensation Arrangement account with us. Mr. Hughes' duties remained unchanged during 2014.

Mr. Pounds's base salary reflects cash compensation of $350,000 per year. His duties remained unchanged during 2014.

Ms. Pidgeon's base salary reflects cash compensation of $325,000. During 2014 the Company added Chief Compliance Officer to her existing roles.

Mr. Chapados' base salary reflects cash compensation of $450,000. His duties remained unchanged during 2014.

Incentive Compensation Plan. ***Overview –*** A portion of the Company's compensation to each Named Executive Officer relates to, and is contingent upon, the officer's performance and our financial performance and resources.

Messrs. Duncan, Hughes, Pounds, Chapados and Ms. Pidgeon – **Overview.** In October 2010, our board approved changes to our Incentive Compensation Plan to create the incentive compensation framework for our Named Executive Officers (Messrs. Duncan, Hughes, Pounds, Chapados and Ms. Pidgeon, collectively "Named Executive Officers").

In the context of the Named Executive Officers, the Compensation Committee first determined the targeted annual incentive compensation for each of them. Incentive compensation is paid out in the form of 50% cash and 50% restricted stock grants that vest 100% at the end of three years, unless otherwise determined by the Compensation Committee based on the individual circumstances of each of the Named Executive Officer. Therefore, the incentive compensation is designed to encourage the focus of these executives on long-term performance. Discretionary annual cash bonuses are intended to reward short-term performance and to make our senior executive compensation packages competitive with comparable executive positions in other companies.

Incentive Compensation. The following table provides a summary of the 2014 incentive compensation targets for the Named Executive Officers:

Name	Adjusted EBITDA ($)	Capex Spending ($)	Discretionary ($)	Total 2014 Incentive Compensation Plan Target ($)
Ronald A. Duncan[1]	398,578	192,860	1,414,308	2,005,746
Peter J. Pounds[2]	67,500	30,000	202,500	300,000
Gregory F. Chapados[2]	180,000	90,000	630,000	900,000
G. Wilson Hughes	100,000	45,000	321,667	466,667
Tina M. Pidgeon[3]	110,000	—	440,000	550,000

[1] Mr. Duncan's incentive compensation target is calculated by multiplying the sum of his base salary, director cash compensation, estimated value of the stock grant for service as a director, and incentive compensation ("Total Compensation") by the percentage increase in Adjusted EBITDA from Adjusted EBITDA in 2013 and adding that to his target incentive compensation. For 2014 that resulted in an additional $530,746 added to his incentive compensation plan target of $1,475,000.

[2] The number of shares issued to Mr. Pounds and Mr. Chapados are determined by dividing the 50% of Incentive Compensation for shares by the price of our Class A shares on December 31, 2012, which was $9.59. This arrangement is in place for Mr. Pounds and Mr. Chapados through 2017.

[3] Ms. Pidgeon's Incentive Compensation is paid out in the form of 75% cash and 25% restricted stock grants that vest 100% at the end of three years.

The following is a description of what each of these incentive compensation targets are and how they are measured.

Adjusted EBITDA. The Adjusted EBITDA Goal is intended to focus Messrs. Duncan, Pounds, Chapados and Ms. Pidgeon on increasing the earnings before depreciation and amortization expense, net interest expense, income taxes, share-based compensation expense, accretion expense, income or loss from equity investments, net income or loss attributable to non-controlling interest resulting from New Markets Tax Credit transactions and non-cash contribution adjustment ("Adjusted EBITDA") of the Company and in the case of Mr. Hughes on increasing the Adjusted EBITDA of AWN. The goal is achieved by the Company recording Adjusted EBITDA that is greater than the targeted Adjusted EBITDA.

The targets for this metric were $308.5 million in 2014 for Messrs. Duncan, Pounds, Chapados and Ms. Pidgeon and $137.0 million for Mr. Hughes who would earn their Target Incentive Compensation for this goal if the metric was exceeded. In the case of Messrs. Duncan, Pounds, Chapados, Hughes and Ms. Pidgeon, the incentive compensation earned is increased or decreased from the Target Incentive Compensation by 5% for each $1 million that the actual Adjusted EBITDA is above or below the Adjusted EBITDA metric.

Capex Spending. The Capex Spending target is based on core capex spending adjusted for certain one-time items such as real estate purchases and grant funded projects ("Capex Spending") not exceeding the goal set forth by our board. For Messrs. Duncan, Pounds, and Chapados the goal was $179.6 million in 2014. In 2014 the targeted incentive for Capex Spending will be paid out at 100% if the total Capex Spending for the year is $179.6 million or less. For 2014, the Capex Spending was less than $179.6 million. Ms. Pidgeon's incentive compensation did not include this target.

In the case of Mr. Hughes, the Capex Spending goal for AWN was $57.9 million. In 2014 the targeted incentive for Capex Spending will be paid out at 100% if the total Capex Spending for the year is $57.9 million or less. For 2014, the Capex Spending was less than $57.9 million.

Discretionary. The board will take various factors into account when deciding on the payout of the discretionary portion of the plan applying to the Named Executive Officers. These factors include, but are not limited to, leadership, crisis management, succession planning, strategic planning, risk management, special projects, financial reporting, and compliance with our debt covenants.

The following table summarizes the 2014 incentive compensation achieved by the Named Executive Officers, each of whom participated in this plan. The 2014 incentive compensation was paid 50% in cash and 50% issued in the form of restricted stock grants that will vest at the end of three years after the grant date with the exception of Ms. Pidgeon who was paid 75% in cash and 25% issued in the form of restricted stock grants; the majority of the cash portion was paid in 2014 with the remainder paid in 2015:

Goals	Ronald A. Duncan	Peter J. Pounds	Gregory F. Chapados	G. Wilson Hughes	Tina M. Pidgeon
Adjusted EBITDA Goal – Target Incentive Compensation	$ 398,578	$ 67,500	$ 180,000	$ 100,000	$ 110,000
Adjusted EBITDA Goal Achievement[1]	172.6 %	172.6 %	172.6 %	176.5 %	172.6 %
2014 Adjusted EBITDA Incentive Compensation Earned	$ 687,946	$ 116,505	$ 310,680	$ 176,500	$ 189,860
Capex Spending	$ 192,860	$ 30,000	$ 90,000	$ 45,000	N/A
Capex Spending Achievement	100 %	100 %	100 %	100 %	N/A
2014 Capex Spending Incentive Compensation Earned	$ 192,860	$ 30,000	$ 90,000	$ 45,000	$ —
Discretionary	$ 1,414,308	$ 202,500	$ 630,000	$ 321,667	$ 440,000
Discretionary Achievement[2]	91.5 %	102.3 %	94.9 %	104.3 %	110.9 %
2014 Discretionary Incentive Compensation Earned	$ 1,293,626	$ 207,062	$ 597,664	$ 335,468	$ 488,178
2014 Incentive Compensation Earned	$ 2,174,432	$ 353,567	$ 998,344	$ 556,968	$ 678,038

[1] The Adjusted EBITDA metric for 2014 was $308.5 million for the Company. Messrs. Duncan, Pounds, Chapados and Ms. Pidgeon would earn their Target Incentive Compensation for this goal if the Company had Adjusted EBITDA equal to the metric. The Target Incentive Compensation is increased or decreased by 5% for each $1 million that the actual Adjusted EBITDA is above or below the metric. For 2014, the actual Adjusted EBITDA was $323 million resulting in actual Adjusted EBITDA that was $14.0 above the metric, therefore, the earned Incentive Compensation for the Adjusted EBITDA goal was increased by 72.6%. The Adjusted EBITDA metric for 2014 was $143.0 million for AWN. Mr. Hughes would earn his Target Incentive Compensation for this goal if AWN had Adjusted EBITDA equal to the metric. The Target Incentive Compensation is increased or decreased by 5% for each $1 million that the actual Adjusted EBITDA is above or below the metric. For 2014, the actual Adjusted EBITDA for AWN was $158.3 million resulting in actual Adjusted EBITDA that was $15.3 million above the metric, therefore, the earned Incentive Compensation for the Adjusted EBITDA goal was increased by 76.5%.

[2] Our Compensation Committee considered the following factors regarding the Discretionary Achievement of the Named Executive Officers. With regard to Mr. Duncan, the Compensation Committee took into account his leadership during 2014, performance in developing a strategic plan for key components of our business, diversification and succession planning. With regard to Mr. Pounds, the Compensation Committee considered his leadership in regards to risk management, financial planning and management, and financial reporting. With regard to Mr. Chapados, the Compensation Committee considered, among other thing, his leadership, his operating of the Wireline segment, his strategic and financial planning, and risk management. With regard to Mr. Hughes, the Compensation Committee took into account his leadership of the AWN integration, succession planning and the operations of our wireless strategy. With regard to Ms. Pidgeon, the Compensation Committee considered her leadership in managing strategic legal initiatives for the Company, team development, and her role in serving as General Counsel for the Company.

Incentive Compensation Targets. Based on discussions with our CEO, management and the practices of other companies, our Compensation Committee approved the following incentive compensation targets for our Named Executive Officers which is expected to be in place through 2016:

Name	Adjusted EBITDA Goal ($)	Capex Spending[1] ($)	Discretionary ($)	Total 2015 Incentive Compensation Plan Target ($)
Ronald A. Duncan[2]	295,000	36,875	1,143,125	1,475,000
Peter J. Pounds[3]	80,000	10,000	310,000	400,000
Gregory F. Chapados[3]	180,000	22,500	697,500	900,000
G. Wilson Hughes	93,333	11,667	361,667	466,667
Tina M. Pidgeon[4]	120,000	—	480,000	600,000

[1] The Capex Spending target for 2015 is $166.7 million. If Capex Spending exceeds $174.2 million, the payout would reduce in a linear fashion to zero at $176.2 million.

[2] Mr. Duncan's incentive compensation target is calculated by multiplying the sum of his base salary, director cash compensation, estimated value of the stock grant for service as a director, and incentive compensation ("Total Compensation") by the percentage increase in Adjusted EBITDA from Adjusted EBITDA in 2013 and adding that to his target incentive compensation. Therefore, the exact amount of Mr. Duncan's 2015 Incentive Compensation Plan Target will not be known until the completion of fiscal year 2015.

[3] Incentive Compensation is paid out in the form of 50% cash and 50% restricted stock grants that vest at the end of three years. The number of shares issued to Mr. Pounds and Mr. Chapados are determined by dividing the 50% of Incentive Compensation for shares by the price of our Class A shares on December 31, 2012, which was $9.59. This arrangement is in place for Mr. Pounds and Mr. Chapados through 2017.

[4] Ms. Pidgeon's Incentive Compensation is paid out in the form of 75% cash and 25% restricted stock grants that vest 100% at the end of three years.

The Compensation Committee may change the incentive compensation amounts between the goals at its discretion.

Retention Incentives. Restricted stock grants are issued periodically to Named Executive Officers to encourage the executive to stay with the Company and to help the Named Executive Officers stay focused on the long term performance of the Company. Mr. Chapados and Ms. Pidgeon received restricted stock grants during 2014 as retention incentives.

Stock Option Plan. Options and awards, if granted to the Named Executive Officers, were granted pursuant to terms of our Stock Option Plan. In particular, the exercise price for options in each instance was the closing price for our Class A common stock on the Nasdaq Global Select Market on the day of the grant of the option. Options or awards, if granted, were granted contemporaneously with the approval of the Compensation Committee, typically early in the year in question or late in the previous year as described above. See "Part III – Item 11 – Compensation Discussion and Analysis: Elements of Compensation – Incentive Compensation Plan."

With limited exceptions (one involving Mr. Duncan, a Named Executive Officer), since mid-2009 we have used restricted stock in place of options. That is, on February 8, 2010, we granted an option for 150,000 shares of Class A common stock to Mr. Duncan. That option vested on February 8, 2012.

We adopted our stock option plan in 1986. It has been subsequently amended from time to time and presently is our Stock Option Plan, i.e., our Amended and Restated 1986 Stock Option Plan. Under our Stock Option Plan, we are authorized to grant awards and options to purchase shares of Class A common stock to selected officers, directors and other employees of, and consultants or advisors to, the Company and its subsidiaries. The options are more specifically referred to as nonstatutory stock options or incentive stock options within Section 422 of the Internal Revenue Code of 1986, as amended ("Internal Revenue Code"). In addition, under the Stock Option Plan restricted stock awards may be granted as further described below. The selection of grantees for options and awards under the plan is made by our Compensation Committee.

The number of shares of Class A common stock allocated to the Stock Option Plan is 15.7 million shares. The number of shares for which options or awards may be granted is subject to adjustment upon the occurrence of stock dividends, stock splits, mergers, consolidations and certain other changes in corporate structure or capitalization. As of December 31, 2014, there were 0.3 million shares subject to outstanding options under the Stock Option Plan, 1.8 million shares granted subject to vesting, 4.1 million share grants had vested, 8.6 million shares had been issued upon the exercise of options under the plan, 1.5 million shares repurchased by the plan and 2.4 million shares remained available for additional grants under the plan.

Restricted stock awards granted under the Stock Option Plan may be subject to vesting conditions based upon service or performance criteria as the Compensation Committee may specify. These specifications may include attainment of one or more performance targets. Shares acquired pursuant to such an award may not be transferred by the participant until vested. Unless otherwise provided by the Compensation Committee, a participant will forfeit any shares of restricted stock where the restrictions have not lapsed prior to the participant's termination of service with us. Participants holding restricted stock will have the right to vote the shares and to receive dividends paid, if any. However, those dividends or other distributions paid in shares will be subject to the same restrictions as the original award.

Our Compensation Committee selects each grantee and the time of grant of an option or award and determines the terms of each grant, including the number of shares covered by each grant and the exercise price. In selecting a participant, as well as in determining these other terms and conditions of each grant, our Compensation Committee takes into consideration such factors as it deems, in its sole discretion, relevant in connection with accomplishing the purpose of the plan.

Under our Stock Option Plan, our authority to modify or amend the plan is subject to prior approval of our shareholders only in cases of increasing the number of shares of our stock allocated to, and available and reserved for, issuance under the plan, changing the class of persons eligible to receive incentive stock options or where shareholder approval is required under applicable law, regulation or rule. One such law requiring shareholder approval before the Company may rely on it is Section 162(m) of the Internal Revenue Code.

Subject to these limitations, the Company may terminate or amend the Stock Option Plan at any time. However, no termination or amendment may affect any outstanding option or award unless expressly provided by the Compensation Committee. In any event, no termination or amendment of the plan may adversely affect an outstanding option or award without the consent of the participant unless necessary to comply with applicable law, regulation or rule.

With limited exception, no maximum or minimum exists with regard to the amount, either in dollars or in numbers, of options that may be exercised in any year, either by a single optionee or by all optionees under our Stock Option Plan. At the 2002 annual meeting, our shareholders approved an amendment to the plan placing a limitation on accumulated grants of options of not more than 500,000 shares of Class A common stock per optionee per year.

With these exceptions, there are no fixed limitations on the number or amount of securities being offered, other than the practical limitations imposed by the number of employees eligible to participate in the plan and the total number of shares of stock authorized and available for granting under the plan. Shares covered by options which have terminated or expired for any reason prior to their exercise are available for grant of new options pursuant to the plan.

Perquisites. The Company provides certain perquisites to its Named Executive Officers. The Compensation Committee believes these perquisites are reasonable and appropriate and consistent with our awareness of perquisites offered by similar publicly traded companies. The perquisites assist in attracting and retaining the Named Executive Officers and, in the case of certain perquisites, promote health, safety and efficiency of our Named Executive Officers. These perquisites are as follows:

- ***Use of Company Leased Aircraft –*** The Company permits employees, including the Named Executive Officers, to use Company aircraft for personal travel for themselves and their guests. Such travel generally is limited to a space available basis on flights that are otherwise business-related. Where a Named Executive Officer, or a guest of that officer, flies on a space available basis, the additional variable cost to the Company (such as fuel, catering, and landing fees) is de minimus. As a result, no amount is reflected in

the Summary Compensation Table for that flight. Where the additional variable cost to the Company occurs on such a flight for solely personal purposes of that Named Executive Officer or guest, that cost is included in the Summary Compensation Table entry for that officer. Because it is rare for a flight to be purely personal in nature, fixed costs (such as hangar expenses, crew salaries and monthly leases) are not included in the Summary Compensation Table. In any case, in the event such a cost is non-deductible by the Company under the Internal Revenue Code, the value of that lost deduction is included in the Summary Compensation Table entry for that Named Executive Officer. When employees, including the Named Executive Officers, use Company aircraft for such travel they are attributed with taxable income in accordance with regulations pursuant to the Internal Revenue Code. The Company does not "gross up" or reimburse an employee for taxes he or she owes on such attributed income. The variable cost of the aircraft for personal travel, if any, is included in the respective entries in the Summary Compensation Table. See "Part III – Item 11 – Executive Compensation: Summary Compensation Table."

- ***Enhanced Long Term Disability Benefit –*** The Company provides the Named Executive Officers and other senior executive officers of the Company with an enhanced long term disability benefit. This benefit provides a supplemental replacement income benefit of 60% of average monthly compensation capped at $10,000 per month. The normal replacement income benefit applying to other of our employees is capped at $5,000 per month.

- ***Enhanced Short Term Disability Benefit –*** The Company provides the Named Executive Officers and other senior executive officers of the Company with an enhanced short term disability benefit. This benefit provides a supplemental replacement income benefit of 66 2/3% of average monthly compensation, capped at $2,300 per week. The normal replacement income benefit applying to other of our employees is capped at $1,150 per week.

- ***Miscellaneous –*** Aside from benefits offered to its employees generally, the Company provided miscellaneous other benefits to its Named Executive Officers including the following (see "Part III – Item 11 – Executive Compensation: Summary Compensation Table – Components of 'All Other Compensation'"):

    - Success Sharing – An incentive program offered to all of our employees that shares 15% of the excess earnings before interest, taxes, depreciation, amortization and share based compensation expense over the highest previous year ("Success Sharing").

    - Board Fees – Provided to Mr. Duncan as one of our directors. The Compensation Committee believes that it is appropriate to provide such board fees to Mr. Duncan given the additional oversight responsibilities and the accompanying liability incumbent upon members of our board. In determining the appropriate amount of overall compensation payable to Mr. Duncan in his capacity as Chief Executive Officer, the Compensation Committee does take into account any such board fees that are payable to Mr. Duncan. This monitoring of Mr. Duncan's overall compensation package for services rendered as Chief Executive Officer and as a director is done to ensure that Mr. Duncan is not being doubly compensated for the same services rendered to the Company.

Retirement and Welfare Benefits ***– GCI 401(k) Plan.*** In January 1987, we adopted an Employee Stock Purchase Plan (“GCI 401(k) Plan”) qualified under Section 401 of the Internal Revenue Code of 1986. The GCI 401(k) Plan provides for acquisition of GCI’s Class A common stock at market value as well as various mutual funds. We may match a percentage of the employees' contributions up to certain limits. Named Executive Officers may, along with our employees generally, participate in our GCI 401(k) Plan in which we may provide matching contributions in accordance with the terms of the plan.

As of December 31, 2014, there remained 4,668,651 shares of Class A and 463,989 shares of Class B common stock allocated to our GCI 401(k) Plan and available for issuance by us or otherwise acquisition by the plan for the benefit of participants in the plan.

– Deferred Compensation Plan and Arrangements. The Company provides to certain of our employees, including our executive officers and Named Executive Officers, opportunities to defer certain compensation under our nonqualified, unfunded, deferred compensation plan ("Deferred Compensation Plan"). In addition, we offer to our executive officers and to certain of our Named Executive Officers nonqualified, deferred compensation arrangements more specifically fashioned to the needs of the officer and us ("Deferred Compensation Arrangements"). During 2014, none of our officers participated in the Deferred Compensation Plan. However,

during 2014, Mr. Hughes, a Named Executive Officer, participated in a Deferred Compensation Arrangement specifically fashioned to his needs. This Deferred Compensation Arrangement enables the individuals to defer compensation in excess of limits that apply to qualified plans, like our GCI 401(k) Plan, and to pursue other income tax goals which they set for themselves.

Based upon its review of the Deferred Compensation Arrangement, our Compensation Committee concluded that the benefits provided are in reasonable and an important tool in retaining the executive officer involved with the arrangements.

– *Welfare Benefits.* With the exception of the enhanced long term and short term disability benefits described previously, the Company provided to the Named Executive Officers the same health and welfare benefits provided generally to all other employees of the Company at the same general premium rates as charged to those employees. The cost of the health and welfare programs is subsidized by the Company for all eligible employees including the Named Executive Officers.

Performance Rewarded –

Our Compensation Program is, in large part, designed to reward individual performance. What constitutes performance varies from officer to officer, depending upon the nature of the officer's responsibilities. Consistent with the Compensation Program, the Company identified key business metrics and established defined targets related to those metrics for each Named Executive Officer. In the case of each Named Executive Officer, the targets were regularly reviewed by management, from time to time, and provided an immediate and clear picture of performance and enabled management to respond quickly to both potential problems as well as potential opportunities. The Compensation Program also was used to establish and track corresponding applicable targets for individual management employees.

In 2014, the Compensation Program was used in the development of each Named Executive Officer's individual performance goals and established incentive compensation targets. The Compensation Committee evaluated the performance of each of the executive officers and the financial performance of the Company and awarded incentive compensation as described above. See "Part III – Item 11 – Compensation Discussion and Analysis: Elements of Compensation – Incentive Compensation Plan."

In 2014, our Compensation Committee determined to increase the cash component of Mr. Pounds' base salary from $300,000 to $350,000 effective January 1, 2014 and increase it to $400,000 effective January 1, 2015. In addition, the Compensation Committee increased Mr. Pounds' annual Incentive Compensation target from $200,000 to $300,000 effective January 1, 2014 and to $400,000 effective January 1, 2015. The increases to Mr. Pounds' base salary and Incentive Compensation are to compensate him for the additional responsibilities resulting from the growth of the Company. The amounts disclosed under "Part III – Item 11 – Incentive Compensation – 2014 Incentive Compensation Targets" reflect the increase to Mr. Pounds' 2014 incentive compensation target.

Timing of Equity Awards –

Overview. Timing of equity awards under our Director Compensation Plan and equity awards under our Compensation Program varies with the plan or portion of that program. However, the Company does not, and has not in the past, timed its release of material nonpublic information for purposes of affecting the value of equity compensation. Timing issues and our grant policy are described further below.

Director Compensation Plan. As a part of the Director Compensation Plan, we grant awards of our common stock to board members, including those persons who may also be serving as one or more of our executive officers. Mr. Duncan, a board member and Named Executive Officer, has been granted such awards in the past. These awards are made annually in June of each year in accordance with the terms of the Director Compensation Plan. The awards are made through our Stock Option Plan. See "Part III – Item 11 – Compensation Discussion and Analysis: Elements of Compensation – Stock Option Plan."

Incentive Compensation Plan. As a part of our Compensation Program, from time to time, we grant awards in our Class A common stock to our executive officers, including the Named Executive Officers. In particular, awards are granted in conjunction with the agreements that we enter into with Named Executive Officers pursuant to our Incentive Compensation Plan. The grants of such awards are typically made early in the year at the time our board

finalizes the prior year incentive compensation plan payouts for each of the Named Executive Officers. All such awards are granted through the Stock Option Plan. See "Part III – Item 11 – Compensation Discussion and Analysis: Elements of Compensation – Incentive Compensation Plan" and "– Elements of Compensation – Stock Option Plan."

Stock Option Plan. As a part of our Compensation Program, from time to time, we grant stock awards in our Class A common stock to our executive officers, including the Named Executive Officers, and to certain of our advisors. In the case of an executive officer, these awards may be granted regardless of whether there is in place an agreement entered into with the officer under our Incentive Compensation Plan. In the case of a new hire and where we choose to grant awards, the grant may be done at the time of hire. In all cases, regardless of the identity of the grantee, the timing, amount and other terms of the grant of awards under our Stock Option Plan are determined in the sole discretion of our Compensation Committee. See "Part III – Item 11 – Compensation Discussion and Analysis: Elements of Compensation – Stock Option Plan."

In the event an executive level employee is hired or promoted during a year, that employee may be eligible to receive an award under the plans previously described in this section. Grants of awards in this context may be made at the recommendation of management and only with action of the Compensation Committee.

Grant Policy. Under our grant policy, all approved grants are granted effective the date they were approved by the committee and are priced at the market value at the close of trading on that date. The terms of the award are then communicated immediately to the recipient.

Tax and Accounting Treatment of Executive Compensation –

In determining the amount and form of compensation granted to executive officers, including the Named Executive Officers, the Company takes into consideration both tax treatment and accounting treatment of the compensation. Tax and accounting treatment for various forms of compensation is subject to changes in, and changing interpretations of, applicable laws, regulations, rulings and other factors not within the Company's control. As a result, tax and accounting treatment is only one of several factors that the Company takes into account in designing the previously described elements of compensation.

Compensation Policies and Practices in Relation to Our Risk Management –

At the direction of our board, Company management has reviewed our compensation policies, plans and practices to determine whether they create incentives or encourage behavior that is reasonably likely to have a materially adverse effect on the Company. This effort included a review of our various employee compensation plans and practices as described elsewhere in this report. See "Part III – Item 11 – Compensation Discussion and Analysis: Process."

The purpose of the review was to evaluate risks and the internal controls we have implemented to manage those risks. The controls include multiple performance metrics, corporate-wide financial measures, statutory clawbacks on equity awards, and board and board committee oversight and approvals.

In completing this review, our board and management believe risks created by our compensation policies, plans and practices that create incentives likely to have a material adverse effect on us are remote.

Shareholder Advisory Votes on Executive Compensation

At our 2014 annual meeting, our shareholders adopted a non-binding proposal pertaining to executive compensation of our Named Executive Officers. Our board anticipates placing before our shareholders a proposal on executive compensation at our 2017 annual shareholder meeting.

Our board views decisions as to compensation of Company named executive officers, including but not limited to those for 2014, as its responsibility. Our board takes this responsibility seriously and has gone to considerable effort to establish and implement a process for determining executive compensation as described elsewhere in this report. See "Part III – Item 11 – Compensation Discussion and Analysis."

Our board carefully considers all proposals from our shareholders. However, in light of its responsibilities to the Company, our board may or may not follow the advice of those shareholder votes.

Our board contemplates next placing before our shareholders a proposal dealing with the frequency of shareholder advisory votes on executive compensation of our named executive officers during our 2017 annual shareholder meeting.

Executive Compensation

Summary Compensation Table –

As of December 31, 2014, the Company did not have employment agreements with any of the Named Executive Officers. The following table summarizes total compensation paid or earned by each Named Executive Officer for fiscal years 2014, 2013 and 2012. The process followed by the Compensation Committee in establishing total compensation for each Named Executive Officer as set forth in the table is described elsewhere in this report. See "Part III – Item 11 – Compensation Discussion and Analysis."

Summary Compensation Table

Name and Principal Position	Year	Salary[1] ($)	Bonus ($)	Nonequity Incentive Plan Compen-sation ($)	Stock Awards[2] ($)	Option Awards[2] ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings[3] ($)	All Other Compensation ($)[4]	Total ($)
Ronald A. Duncan[5] President and Chief Executive Officer	2014	925,000	—	1,087,216	1,093,862[6]	—	—	86,228	3,192,306
	2013	830,000	—	1,158,158	523,371[7]	—	—	75,000	2,586,529
	2012	600,000	—	566,209	31,100	—	—	67,000	1,264,309
Peter J. Pounds Senior Vice President, Chief Financial Officer and Secretary[8]	2014	350,000	2,281[9]	174,503	92,289[6]	—	—	21,426	640,499
Gregory F. Chapados Executive Vice President and Chief Operating Officer	2014	450,000	—	499,172	2,010,889[10]	—	—	23,426	2,983,487
	2013	347,917	—	542,654	143,286[7]	—	—	21,500	1,055,357
	2012	300,000	—	169,223	998,208[10]	—	—	19,000	1,486,431
G. Wilson Hughes Executive Vice President --- Wireless	2014	487,500	6,901[9]	271,584	599,397[6]	—	—	18,623	1,384,005
	2013	487,500	—	754,465	285,084[11]	—	296	19,500	1,546,845
	2012	487,500	—	229,223	1,486,342[11]	—	2,272	25,875	2,231,212
Tina M. Pidgeon Senior Vice President, Chief Compliance Officer, General Counsel and Governmental Affairs	2014	325,000	36,134[9]	472,395	2,537,905[12]	—	—	23,426	3,394,860
	2013	275,000	31,980[9]	366,622	248,788[12]	—	—	111,913	1,034,303
	2012	275,000	23,848[9]	162,500	391,272[12]	—	—	224,369	1,076,989

1 For 2012, 2013 and 2014, salary includes deferred compensation of $125,000 for Mr. Hughes.

2 This column reflects the grant date fair values of awards of Class A common stock, restricted stock awards or stock options granted in the fiscal year indicated which were computed in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 718, Compensation – Stock Options ("ASC Topic 718"). Assumptions used in the calculation of these amounts are set forth in Note 9 of "Part II – Item 8 – Consolidated Financial Statements and Supplementary Data."

3 The amount shown represents the above-market earnings on nonqualified deferred compensation plan balances. Above market-earnings is defined as earnings in excess of 120% of the long-term monthly applicable federal rate (AFR).

4 See, "Components of 'All Other Compensation'" table displayed below for more detail.

5 In 2012, Mr. Duncan received $81,100 in compensation for service on our board in the form of $50,000 in director fees and a stock award valued at $31,100. In 2013, Mr. Duncan received $106,450 in compensation for

service on our board in the form of $57,500 in director fees and a stock award valued at $43,950. In 2014, Mr. Duncan received $148,625 in compensation for service on our board in the form of $65,000 in director fees and a stock award valued at $83,625.

6 The Stock Awards granted during 2014 were for the Named Executive Officer's performance during 2013.

7 The Stock Awards granted during 2013 were for the Named Executive Officer's performance during 2012.

8 Compensation for Mr. Pounds is only provided for 2014 as he was not a Named Executive Officer in 2013 or 2012.

9 The Bonus Compensation represents compensation paid pursuant to the Incentive Compensation Plan in excess of the target payment under the plan.

10 In 2012, Mr. Chapados received a stock award with a grant date fair value of $376,208 for his performance during 2011 and a stock award with a grant date fair value of $622,000 upon his promotion to Chief Operating Officer. In 2014, Mr. Chapados received a stock award with a grant date fair value of $551,389 for his performance during 2013 and a stock award with a grant date fair value of $1,459,500 as a retention incentive.

11 In 2012, Mr. Hughes received a stock award with a grant date fair value of $486,338 for his performance during 2011 and a stock award with a grant date fair value of $1,000,004 to incentivize Mr. Hughes to stay to lead the integration of AWN. In 2013, Mr. Hughes received a stock award with a grant date fair value of $194,084 for his perfomance during 2012 and a stock award with a grant date fair value of $91,000 granted upon the successful close of AWN.

12 In 2012, Ms. Pidgeon received a stock award with a grant date fair value of $291,267 for her performance during 2011 and a stock award with a grant date fair value of $100,005 to incentivize Ms. Pidgeon to stay with the Company. In 2013, Ms. Pidgeon received a stock award with a grant date fair value of $157,788 for her perfomance during 2012 and a stock award with a grant date fair value of $91,000 granted upon the successful close of AWN. In 2014, Ms. Pidgeon received a stock award with a grant date fair value of $348,655 for her performance during 2013 and a stock award with a grant date fair value of $2,189,250 as a retention incentive.

The amounts reported under the "All Other Compensation" column are comprised of the following:

Components of "All Other Compensation"

Name and Principal Position	Year	Stock Purchase Plan[1] ($)	Board Fees ($)	Success Sharing[2] ($)	Use of Company Leased Aircraft[3] ($)	Miscellaneous ($)	Total ($)
Ronald A. Duncan	2014	17,500	65,000	—	3,728	—	86,228
	2013	17,500	57,500	—	—	—	75,000
	2012	17,000	50,000	—	—	—	67,000
Peter J. Pounds	2014	17,500	—	1,926	—	2,000[4]	21,426
Gregory F. Chapados	2014	17,500	—	1,926	—	4,000[4]	23,426
	2013	17,500	—	—	—	4,000[4]	21,500
	2012	17,000	—	—	—	2,000[4]	19,000
G. Wilson Hughes	2014	17,500	—	1,123	—	—	18,623
	2013	17,500	—	—	—	2,000[4]	19,500
	2012	17,000	—	—	7,875	1,000[4]	25,875
Tina M. Pidgeon	2014	17,500	—	1,926	—	4,000[4]	23,426
	2013	17,500	—	—	91,413	3,000[4]	111,913
	2012	17,000	—	—	113,702	93,667[5]	224,369

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[1] Amounts are contributions by us matching each employee's contribution. Matching contributions by us under our GCI 401(k) Plan are available to each of our full time employees with over one year of service. During 2014 and 2013, the match was based upon the lesser of $17,500 ($17,000 for 2012) or 10% of the employee's salary and the total of the employee's pre-tax and post-tax contributions to the plan. See "Part III – Item 11 – Compensation Discussion and Analysis: Elements of Compensation – Retirement and Welfare Benefits – GCI 401(k) Plan."

[2] See "Part III – Item 11 – Compensation Discussion and Analysis: Elements of Compensation – Perquisites."

[3] The value of use of Company leased aircraft is shown at the variable cost to the Company.

[4] Compensation for attending certain management meetings.

[5] Included in 2012 are $91,667 for vesting portion of a $275,000 signing bonus received in 2010 and $2,000 for attending certain management meetings.

Grants of Plan-Based Awards Table –

The following table displays specific information on grants of options, awards and non-equity incentive plan awards under our Compensation Program and, in addition, in the case of Mr. Duncan, our Director Compensation Plan, made to Named Executive Officers during 2014.

Grants of Plan-Based Awards

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Option Awards[1] ($)
Name	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)				
Ronald A. Duncan	01/31/14	---	---	---	---	---	---	103,827[2]	---	---	1,010,237
	06/01/14	---	---	---	---	---	---	7,500[3]	---	---	83,625
Peter J. Pounds	01/31/14	---	---	---	---	---	---	9,485[2]	---	---	92,289
Gregory F. Chapados	01/31/14	---	---	---	---	---	---	56,669[2]	---	---	551,389
	01/31/14	---	---	---	---	---	---	150,000[4]	---	---	1,459,500
G. Wilson Hughes	01/31/14	---	---	---	---	---	---	61,603[2]	---	---	599,397
Tina M. Pidgeon	01/31/14	---	---	---	---	---	---	35,833[2]	---	---	348,655
	01/31/14	---	---	---	---	---	---	225,000[5]	---	---	2,189,250

[1] Computed in accordance with FASB ASC Topic 718.

[2] Represents the 50% portion of the 2013 incentive compensation paid in the form of restricted stock grants under our Incentive Compensation Plan that were not granted until 2014. Restricted stock awards are included in the "Stock Awards" column of the Summary Compensation Table above.

[3] Mr. Duncan's stock award was granted pursuant to the terms of our Director Compensation Plan. See "Part III – Item 11 – Director Compensation."

[4] Mr. Chapados received a restricted stock award of 150,000 shares as a retention incentive.

[5] Ms. Pidgeon received a restricted stock award of 225,000 shares as a retention incentive.

Outstanding Equity Awards at Fiscal Year-End Table –

The following table displays specific information on unexercised options, stock that has not vested and equity incentive plan awards for each of the Named Executive Officers and outstanding as of December 31, 2014. Vesting of these options and awards varies for the Named Executive Officers as described in the footnotes to the table.

Outstanding Equity Awards at Fiscal Year-End

	Option Awards[1]				Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock that Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
Ronald A. Duncan	150,000	---	5.32	2/8/2020	---	---	---	---
	---	---	---	---	59,042 [2]	811,828 [2]	---	---
	---	---	---	---	103,827 [3]	1,427,621 [3]	---	---
Peter J. Pounds	---	---	---	---	50,000 [4]	687,500 [4]	---	---
	---	---	---	---	50,000 [5]	687,500 [5]	---	---
	---	---	---	---	9,485 [3]	130,419 [3]	---	---
Gregory F. Chapados	100,000	---	7.95	1/9/2018	---	---	---	---
	---	---	---	---	55,000 [6]	756,250 [6]	---	---
	---	---	---	---	17,646 [2]	242,633 [2]	---	---
	---	---	---	---	100,000 [7]	1,375,000 [7]	---	---
	---	---	---	---	56,669 [3]	779,199 [3]	---	---
	---	---	---	---	150,000 [8]	2,062,500 [8]	---	---
G. Wilson Hughes	---	---	---	---	58,963 [9]	810,741 [9]	---	---
	---	---	---	---	23,902 [2]	328,653 [2]	---	---
	---	---	---	---	61,603 [3]	847,041 [3]	---	---
Tina M. Pidgeon	---	---	---	---	19,432 [2]	267,190 [2]	---	---
	---	---	---	---	35,833 [3]	492,704 [3]	---	---
	---	---	---	---	225,000 [10]	3,093,750 [10]	---	---

[1] Stock option awards generally vest over five years and expire ten years from grant date, except as noted in the footnotes below.

[2] Restricted stock vests on November 30, 2015.

[3] Restricted stock vests on November 30, 2016.

[4] Restricted stock vests on February 8, 2015.

[5] Restricted stock vests on December 7, 2017.

[6] Restricted stock vests on October 7, 2015.

[7] Restricted stock vests on June 3, 2016.

[8] Restricted stock vests 30,000 shares on January 1, 2015, 2016, 2017, 2018 and 2019, respectively.

[9] Restricted stock vests on December 31, 2015.

[10] Restricted stock vests 135,000 shares on January 1, 2017, 45,000 shares on January 1, 2018, and 45,000 shares on January 1, 2019.

Option Exercises and Stock Vested Table –

The following table displays specific information on each exercise of stock options, stock appreciation rights, and similar instruments, and each vesting of stock, including restricted stock, restricted stock units and similar instruments on an aggregate basis, for each of the Named Executive Officers during 2014:

Option Exercises and Stock Vested

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)
Ronald A. Duncan	---	---	62,332	697,495
	---	---	7,500 [1]	83,625
Peter J. Pounds	---	---	1,103	13,435
Gregory F. Chapados	---	---	5,000	54,450
	---	---	33,590	409,126
G. Wilson Hughes	---	---	43,423	528,892
	---	---	58,962	810,728
	---	---	10,000	110,000
Tina M. Pidgeon	---	---	26,006	316,753
	---	---	11,793	140,455
	---	---	10,000	110,000

[1] This stock award relates to Mr. Duncan's service as one of our directors.

Potential Payments upon Termination or Change-in-Control –

As of December 31, 2014, there were no compensatory plans or arrangements providing for payments to any of the Named Executive Officers in conjunction with any termination of employment or other working relationship of such an officer with us (including without limitation, resignation, severance, retirement or constructive termination of employment of the officer). Furthermore, as of December 31, 2014, there were no such plans or arrangements providing for payments to any of the Named Executive Officers in conjunction with a change of control of us or a change in such an officer's responsibilities to us. However, the outstanding options and awards for each of our Named Executive Officers would vest upon his or her disability, planned retirement or death, or could vest upon a change-in-control of the Company.

Nonqualified Deferred Compensation

Deferred Compensation Plan –

We established our Deferred Compensation Plan in 1995 to provide a means by which certain of our employees may elect to defer receipt of designated percentages or amounts of their compensation and to provide a means for certain other deferrals of compensation. Employees eligible to participate in our Deferred Compensation Plan are determined by our board. We may, at our discretion, contribute matching deferrals in amounts as we select.

Participants immediately vest in all elective deferrals and all income and gain attributable to that participation. Matching contributions and all income and gain attributable to them vest on a case-by-case basis as determined by us. Participants may elect to be paid in either a single lump-sum payment or annual installments over a period not to exceed ten years. Vested balances are payable upon termination of employment, unforeseen emergencies, death or total disability of the participant or change of control of us or our insolvency. Participants

become our general unsecured creditors with respect to deferred compensation benefits of our Deferred Compensation Plan.

None of our Named Executive Officers participated in our Deferred Compensation Plan during 2014.

Deferred Compensation Arrangements –

We have, from time to time, entered into Deferred Compensation Arrangements with certain of our executive officers, including one of the Named Executive Officers. These arrangements are negotiated with individual officers on a case-by-case basis. The status of our Deferred Compensation Arrangements with our Named Executive Officers during 2014 is summarized for each of our Named Executive Officers in the following table, and further descriptions of them are provided following the table.

Nonqualified Deferred Compensation

Name	Executive Contributions in Last FY ($)	Registrant Contribution in Last FY ($)	Aggregate Earnings (Loss) in Last FY ($)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Last FY ($)
Ronald A. Duncan	---	---	---	---	---
Peter J. Pounds	---	---	---	---	---
Gregory F. Chapados	---	---	---	---	---
G. Wilson Hughes	125,000	---	218,899	715,303	2,489,807
Tina M. Pidgeon	---	---	---	---	---

Mr. Hughes' Deferred Compensation Arrangement with us consists of three components. The first component consisted of deferred compensation invested in 26,270 shares of Company Class A common stock. The second component is $1,458,595 accrued at year end of which $125,000 in salary were deferred and $121,236 of interest were accrued during 2014. This arrangement with us earns interest at the rate of 10% per year based upon the balance at the beginning of the year plus new salary deferrals during the year. The third component is $670,000 accrued at year end of which $30,000 were accrued for 2014 interest. This arrangement earns interest at 7.5% per year based upon the original $400,000 that was given to Mr. Hughes in consideration for his continued employment at the Company from January 1, 2006 through December 31, 2009.

Mr. Hughes' Deferred Compensation Arrangement provides that at his discretion or at termination of employment, he is entitled to receive the full amount owed in a lump sum, in monthly installments paid over a ten-year period, or in installments negotiated with the Company in accordance with statutory requirements.

Messrs. Duncan, Pounds, Chapados and Ms. Pidgeon did not participate in a Deferred Compensation Arrangement with us during 2014.

Other than the Deferred Compensation Arrangements described above, no Named Executive Officer was, as of December 31, 2014, entitled to defer any additional consideration. Any additional Deferred Compensation Arrangements would have to be separately negotiated with, and agreed to by, the Compensation Committee.

Compensation Committee Interlocks and Insider Participation

Our Compensation Committee is composed of four members of our board as identified elsewhere in this report. All of these members served on the committee during all of 2014. See "Part III – Item 11 – Compensation Discussion and Analysis: Overview." The relationships of them to us are described elsewhere in this report. See "Part III – Item 10 – Identification," "Part III – Item 12 – Principal Shareholders" and "Part III – Item 13 – Certain Transactions."

Compensation Committee Report

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis. Based upon that review and discussion, the Compensation Committee recommended to our board that the Compensation Discussion and Analysis be included in our 2014 annual report.

Compensation Committee
Jerry A. Edgerton, Chair
Stephen M. Brett
Stephen R. Mooney
James M. Schneider

Director Compensation

The following table sets forth certain information concerning the cash and non-cash compensation earned by our directors ("Director Compensation Plan"), each for services as a director during the year ended December 31, 2014:

2014 Director Compensation[1]

Name	Fees Earned or Paid in Cash ($)	Stock Awards[2] ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Stephen M. Brett	65,000	83,625	—	—	—	—	148,625
Bridget L. Baker	65,000	83,625	—	—	—	—	148,625
Jerry A. Edgerton	65,000	83,625	—	—	—	—	148,625
Scott M. Fisher	65,000	83,625	—	—	—	—	148,625
William P. Glasgow	65,000	83,625	—	—	—	—	148,625
Mark W. Kroloff	65,000	83,625	—	—	—	—	148,625
Stephen R. Mooney	90,000	83,625	—	—	—	—	173,625
James M. Schneider	65,000	83,625	—	—	—	—	148,625

1 Compensation to Mr. Duncan as a director is described elsewhere in this report. See "Part III – Item 11 – Executive Compensation" and "Compensation Discussion and Analysis."

2 Each director received a grant of awards of 7,500 shares of Company Class A common stock on June 1, 2014 (the grant date). The value of the shares on the date of grant was $11.15 per share, i.e., the closing price of the stock on Nasdaq on that date and as calculated in accordance with FASB ASC Topic 718.

Our initial Director Compensation Plan was adopted in 2004 by our board to acknowledge and compensate, from time to time, directors on the board for ongoing dedicated service. During 2014, the Director Compensation Plan provided for $65,000 per year for all Directors with the exception of Mr. Mooney, Audit Committee chair, who will receive an additional $25,000 per year (paid quarterly).

During 2014, the stock compensation portion of our Director Compensation Plan consisted of a grant of 7,500 shares of Class A common stock to a director for a year of service, or a portion of a year of service. Because the shares vest upon award, they are subject to taxation based upon the then fair market value of the vested shares.

Except for our Director Compensation Plan, during 2014 the directors on our board received no other direct compensation for serving on the board and its committees. However, they were reimbursed for travel and out-of-pocket expenses incurred in connection with attendance at meetings of our board and its committees.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth, as of the end of 2014, information on equity compensation plans approved by our shareholders and separately such plans not approved by our shareholders. The information is focused on outstanding options, warrants and rights; the only such plan is our Stock Option Plan as approved by our shareholders.

Equity Compensation Plan Information

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights ($)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the second column)
Equity compensation plans approved by security holders	308,200	6.86	2,374,371
Total:	308,200	6.86	2,374,371

Ownership of Company

Principal Shareholders –

The following table sets forth, as of December 31, 2014 (unless otherwise noted), certain information regarding the beneficial ownership of our Class A common stock and Class B common stock by each of the following:

- Each person known by us to own beneficially 5% or more of the outstanding shares of Class A common stock or Class B common stock.
- Each of our directors.
- Each of the Named Executive Officers.
- All of our executive officers and directors as a group.

All information with respect to beneficial ownership has been furnished to us by the respective shareholders.

Name of Beneficial Owner[1]	Title of Class[2]	Amount and Nature of Beneficial Ownership (#)		% of Class	% of Total Shares Outstanding (Class A & B)[2]	% Combined Voting Power (Class A & B)[2]
Stephen M. Brett	Class A	75,250	[3]	*	*	*
	Class B	---		---		
Ronald A. Duncan	Class A	1,531,476	[3,4]	4.0	5.3	11.7
	Class B	661,806	[4]	20.9		
Bridget L. Baker	Class A	12,500	[3]	*	*	*
	Class B	---		---		
Jerry A. Edgerton	Class A	46,750	[3]	*	*	*
	Class B	---		---		

Scott M. Fisher	Class A	63,834	[3,5]	*	1.3	7.4
	Class B	511,716	[5]	16.2		
William P. Glasgow	Class A	89,794	[3,6]	*	*	*
	Class B	---		---		
Mark W. Kroloff	Class A	43,600	[3]	*	*	*
	Class B	---		---		
Stephen R. Mooney	Class A	63,900	[3]	*	*	*
	Class B	---		---		
James M. Schneider	Class A	45,650	[3]	*	*	*
	Class B	---		---		
G. Wilson Hughes	Class A	839,866	[7]	2.2	2.0	1.2
	Class B	2,695	[7]	*		
Peter J. Pounds	Class A	115,972		*	*	*
	Class B	---		---		
Gregory F. Chapados	Class A	635,181	[8]	1.7	1.5	*
	Class B	---		---		
Tina M. Pidgeon	Class A	356,632	[9]	*	*	*
	Class B	---		---		
Black Rock, Inc. 40 East 52nd Street New York, New York 10022	Class A	4,073,995		10.7	9.9	5.9
	Class B	---		---		
Dimensional Fund Advisors LP Palisades West, Building One 6300 Bee Cave Road Austin, Texas 78746	Class A	2,384,423	[10]	6.3	5.8	3.4
	Class B	---		---		
GCI 401(k) Plan 2550 Denali St., Ste. 1000 Anchorage, Alaska 99503	Class A	3,390,077		8.9	8.3	5.5
	Class B	42,882		1.4		
Gary Magness c/o Raymond L. Sutton, Jr. 303 East 17th Ave., Ste 1100 Denver, Colorado 80203-1264	Class A	261,563		*	1.7	6.6
	Class B	433,924		13.7		
Private Management Group, Inc. 15635 Alton Parkway, Suite 400 Irvine, California 92606	Class A	3,007,590		7.9	7.3	4.3
	Class B	---		---		
John W. Stanton and Theresa E. Gillespie 155 108th Avenue., N.E., Suite 450 Bellevue, Washington 98004	Class A	2,242,627		5.9	8.9	23.9
	Class B	1,436,469		45.5		
The Vanguard Group, Inc. 100 Vanguard Blvd Malvern, Pennsylvania 19355	Class A	2,342,201	[11]	6.2	5.7	3.4
	Class B	---		---		
MAST Capital Management, LLC and Mr. David J. Steinberg 200 Clarendon Street 51st Floor Boston, Massachusetts 02116	Class A	4,058,408	[12]	10.7	9.9	5.8
	Class B	---		---		
All Directors and Executive Officers As a Group (17 Persons)	Class A	4,332,752	[13]	11.5	13.3	23.1
	Class B	1,176,217	[13]	37.2		

* Represents beneficial ownership of less than 1% of the corresponding class or series of stock.

[1] Beneficial ownership is determined in accordance with Rule 13d-3 of the Exchange Act. Shares of our stock that a person has the right to acquire within 60 days of December 31, 2014 are deemed to be beneficially owned by such person and are included in the computation of the ownership and voting percentages only of such person. Each person has sole voting and investment power with respect to the shares indicated, except as otherwise stated in the footnotes to the table. Addresses are provided only for persons other than management who own beneficially more than 5% of the outstanding shares of Class A or B common stock. The Class A shares do not include the number of Class B shares owned although the Class B shares are convertible on a share-per-share basis into Class A shares.

[2] "Title of Class" includes our Class A common stock and Class B common stock. "Amount and Nature of Beneficial Ownership" and "% of Class" are given for each class of stock. "% of Total Shares Outstanding" and "% Combined Voting Power" are given for the combination of outstanding Class A common stock and Class B common stock, and the voting power for Class B common stock (10 votes per share) is factored into the calculation of that combined voting power.

[3] Includes 7,500 shares of our Class A common stock granted to each of those persons pursuant to the Director Compensation Plan for services performed during 2014.

[4] Includes 169,522 shares of Class A common stock and 6,162 shares of Class B common stock allocated to Mr. Duncan under the GCI 401(k) Plan as of December 31, 2014. Includes 150,000 shares of Class A common stock subject to stock options granted under the Stock Option Plan to Mr. Duncan which he has the right to acquire within 60 days of December 31, 2014 by exercise of the stock options. Does not include 55,560 shares of Class A common stock or 8,242 shares of Class B common stock held by the Amanda Miller Trust, with respect to which Mr. Duncan has no voting or investment power. Ms. Miller is Mr. Duncan's daughter, and Mr. Duncan disclaims beneficial ownership of the shares. Does not include 7,500 shares owned by the Neoma Lowndes Trust which Ms. Miller is a 50% beneficiary, with respect to which Mr. Duncan has no voting or investment power and Mr. Duncan disclaims beneficial ownership of the shares. Does not include 63,186 shares of Class A common stock or 27,020 shares of Class B common stock held by Dani Bowman, Mr. Duncan's wife, of which Mr. Duncan disclaims beneficial ownership. Does not include 10,000 shares of Class A common stock held by Missy, LLC which is 25% owned by Mr. Duncan, 25% owned by Dani Bowman and 50% owned by a trust of which Mr. Duncan’s daughter is the 50% beneficiary, of which securities Mr. Duncan disclaims beneficial ownership (Mr. Duncan claims beneficial ownership of an additional 5,000 shares of Class A Common Stock held by Missy, LLC. which are included within the shares for which Mr. Duncan has a pecuniary interest). Includes 990,868 shares of Class A common stock and 655,644 shares of Class B common stock pledged as security.

[5] Includes 13,484 shares of Class A and 511,716 shares of Class B common stock owned by Fisher Capital Partners, Ltd. of which Mr. Fisher is a partner.

[6] Does not include 158 shares owned by a daughter of Mr. Glasgow. Mr. Glasgow disclaims any beneficial ownership of the shares held by his daughter.

[7] Includes 19,422 shares of Class A common stock allocated to Mr. Hughes under the GCI 401(k) Plan, as of December 31, 2014. Includes 305,890 shares of Class A common stock pledged as security. Excludes 26,270 shares held by the Company pursuant to Mr. Hughes' Deferred Compensation Agreement.

[8] Includes 16,299 shares of Class A common stock allocated to Mr. Chapados under the GCI 401(k) Plan, as of December 31, 2014. Includes 100,000 shares of Class A common stock subject to stock options granted under the Stock Option Plan to Mr. Chapados which he has the right to acquire within 60 days of December 31, 2014 by exercise of those options.

[9] Includes 1,900 shares of Class A common stock allocated to Ms. Pidgeon under the GCI 401(k) Plan, as of December 31, 2014.

[10] As disclosed in Schedule 13G filed with the SEC on February 5, 2015, Dimensional Fund Advisors LP has sole voting power for 2,243,959 shares of Class A common stock and sole dispositive power for 2,384,423 shares of Class A common stock.

[11] As disclosed in Schedule 13G filed with the SEC on February 10, 2015, The Vanguard Group, Inc. has sole voting power of 55,968 shares of Class A common stock, shared dispositive power for 50,568 shares of Class A common stock and sole dispositive power for 2,291,633 shares of Class A common stock.

[12] As disclosed in Schedule 13G/A filed with the SEC on October 1, 2014.

[13] Includes 250,000 shares of Class A common stock which such persons have the right to acquire within 60 days of December 31, 2014 through the exercise of vested stock options. Includes 270,562 shares of Class A common stock and 6,162 shares of Class B common stock allocated to such persons under the GCI 401(k) Plan.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Certain Transactions

Transactions with Related Persons –

Stanton Shareholdings, Registration Rights Agreement. As of December 31, 2014, John W. Stanton and Theresa E. Gillespie, husband and wife (collectively, "Stantons"), continued to be significant shareholders of our Class B common stock. As of that date, neither the Stantons nor the Stantons' affiliates were our directors, officers, nominees for election as directors, or members of the immediate family of such directors, officers, or nominees.

We are a party to a registration rights agreement ("Stanton Registration Rights Agreement") with the Stantons regarding all unregistered shares the Stantons hold in our Class B common stock and any shares of our Class A common stock resulting from conversion of that Class B common stock to Class A common stock. The basic terms of the Stanton Registration Rights Agreement are as follows. If we propose to register any of our securities under the Securities Act of 1933, as amended ("Securities Act") for our own account or for the account of one or more of our shareholders, we must notify the Stantons of that intent. In addition, we must allow the Stantons an opportunity to include the holder's shares ("Stanton Registerable Shares") in that registration.

Under the Stanton Registration Rights Agreement, the Stantons also have the right, under certain circumstances, to require us to register all or any portion of the Stanton Registerable Shares under the Securities Act. The agreement is subject to certain limitations and restrictions, including our right to limit the number of Stanton Registerable Shares included in the registration. Generally, we are required to pay all registration expenses in connection with each registration of Stanton Registerable Shares pursuant to this agreement.

The Stanton Registration Rights Agreement specifically states we are not required to effect any registration on behalf of the Stantons regarding Stanton Registerable Shares if the request for registration covers an aggregate number of Stanton Registerable Shares having a market value of less than $1.5 million. The agreement further states we are not required to effect such a registration for the Stantons where we have at that point previously filed two registration statements with the SEC, or where the registration would require us to undergo an interim audit or prepare and file with the SEC sooner than otherwise required financial statements relating to the proposed transaction. Finally, the agreement states we are not required to effect such a registration when in the opinion of our legal counsel a registration is not required in order to permit resale under Rule 144 as adopted by the SEC pursuant to the Exchange Act.

The Stanton Registration Rights Agreement provides that the first demand for registration by the Stantons must be for no less than 15% of the total number of Stanton Registerable Shares. However, the Stantons may take the opportunity to require us to include the Stanton Registerable Shares as incidental to a registered offering proposed by us.

Duncan Leases. We entered into a long-term capital lease agreement in 1991 with the wife of GCI's President and CEO for property occupied by us. The leased asset was capitalized in 1991 at the owner's cost of $900,000 and the related obligation was recorded. The lease agreement was amended in April 2008 and our existing capital lease asset and liability increased by $1.3 million to record the extension of this capital lease. The amended lease terminates on September 30, 2026. The property consists of a building presently occupied by us. As of December

31, 2013, the payments on the lease were $23,932 per month. They continue at that rate through September 2014. In October 2014, the payments on the lease will increase to $24,732 per month.

In January 2001 we entered into an aircraft operating lease agreement with a company owned by GCI's President and CEO. The lease was amended several times, most recently in May 2011. The lease term of the aircraft may be terminated at any time by us upon 12 months' written notice. The monthly lease rate of the aircraft is $132,000. In 2001, we paid a deposit of $1.5 million in connection with the lease. The deposit will be repaid to us no later than six months after the agreement terminates.

Review Procedure for Transactions with Related Persons –

The following describes our policies and procedures for the review, approval or ratification of transactions in which we are to be a participant and where the amount involved in each instance exceeds $120,000 and in which any related person had or is to have a direct or indirect material interest ("Related Transactions"). Here, we use the term "related person" to mean any person who is one of our directors, a nominee for director, an immediate family member of one of our directors or executive officers, any person who is a holder of five percent or more of a class of our common stock, or any immediate family member of such a holder.

A related person who is one of our officers, directors or employees ("Employee") is subject to our Ethics Code. The Ethics Code requires the Employee to act in the best interest of the Company and to avoid situations which may conflict with this obligation. The code specifically provides that a conflict of interest occurs when an Employee's private interest interferes in any way with our interest. In the event an Employee suspects such a conflict, or even an appearance of conflict, he or she is urged by the Ethics Code to report the matter to an appropriate authority. The Ethics Code, Nominating and Corporate Governance Committee Charter and the Audit Committee Charter define that authority as being our Chief Financial Officer, the Nominating and Corporate Governance Committee, the Audit Committee (in the context of suspected illegal or unethical behavior-related violations pertaining to accounting, or internal controls on accounting or audit matters), or the Employee's supervisor within the Company, as the case may be.

The Ethics Code further provides that an Employee is prohibited from taking a personal interest in a business opportunity discovered through use of corporate position, information or property that properly belongs to us. The Ethics Code also provides that an Employee must not compete with, and in particular, must not use corporate position, information, or property for personal gain or to compete with, us.

The Ethics Code provides that any waiver of its provisions for our executive officers and directors may be made only by our board and must be promptly disclosed to our shareholders. This disclosure must include an identification of the person who received the waiver, the date of the grant of the waiver by our board, and a brief description of the circumstances and reasons under which it was given.

The Ethics Code is silent as to the treatment of immediate family members of our Employees, holders of five percent or more of a class of our stock, or the immediate family members of them. We consider such Related Transactions with such persons on a case-by-case basis, if at all, by analogy to existing procedures as above described pertaining to our Employees.

During 2014, there were no new Transactions with Related Persons. The leases described previously were entered into prior to the establishment of the Ethics Code.

Director Independence

The term Independent Director as used by us is an individual, other than one of our executive officers or employees, and other than any other individual having a relationship which in the opinion of our board would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. See "Part III – Item 10 – Audit Committee, Audit Committee Financial Expert."

Mr. Brett, our Chairman of the Board, while in that capacity an officer under our Bylaws and responsible for the conduct of our board meetings and shareholder meetings when present, is considered by our board to have no

greater influence on our affairs or authority to act on behalf of us than any of the non-executive directors on our board.

Our board believes each of its members satisfies the definition of an Independent Director, with the exception of Mr. Duncan who is an officer and employee of the Company. That is, in the case of all other board members, our board believes each of them is an individual having a relationship which does not interfere with the exercise of independent judgment in carrying out the member's director responsibilities to us.

Item 14. Principal Accountant Fees and Services

Overview

On March 5, 2015, our Audit Committee approved the appointment of Grant Thornton as the Company's External Accountant for 2015. Also on that date, our board ratified that appointment by the Audit Committee.

Pre-Approval Policies and Procedures

We have established as policy, through the adoption of the Audit Committee Charter that, before our External Accountant is engaged by us to render audit services, the engagement must be approved by the Audit Committee.

Our Audit Committee Charter provides that our Audit Committee is directly responsible for appointment, compensation, retention, oversight, qualifications and independence of our External Accountant. Also under our Audit Committee Charter, all audit services provided by our External Accountant must be pre-approved by the Audit Committee.

Our pre-approval policies and procedures with respect to Non-Audit Services include as a part of the Audit Committee Charter that the Audit Committee may choose any of the following options for approving such services:

- ***Full Audit Committee –*** The full Audit Committee can consider each Non-Audit Service.
- ***Designee –*** The Audit Committee can designate one of its members to approve a Non-Audit Service, with that member reporting approvals to the full committee.
- ***Pre-Approval of Categories –*** The Audit Committee can pre-approve categories of Non-Audit Services. Should this option be chosen, the categories must be specific enough to ensure both of the following –
    - The Audit Committee knows exactly what it is approving and can determine the effect of such approval on auditor independence.
    - Management will not find it necessary to decide whether a specific service falls within a category of pre-approved Non-Audit Service.

The Audit Committee's pre-approval of Non-Audit Services may be waived under specific provisions of the Audit Committee Charter. The prerequisites for waiver are as follows: (1) the aggregate amount of all Non-Audit Services constitutes not more than 5% of the total amount of revenue paid by us to our External Accountant during the fiscal year in which those services are provided; (2) the service is originally thought to be a part of an audit by our External Accountant; (3) the service turns out to be a Non-Audit Service; and (4) the service is promptly brought to the attention of the Audit Committee and approved prior to completion of the audit by the committee or by one or more members of the committee who are members of our board to whom authority to grant such approvals has been delegated by the committee.

During 2014, there were no waivers of our Audit Committee pre-approval policy.

Fees and Services

The aggregate fees billed to us by our External Accountant in each of these categories for each of 2014 and 2013 are set forth as follows:

External Accountant Auditor Fees

Type of Fees		2014	2013
Audit Fees[1]	$	1,911,838	2,291,961
Audit-Related Fees[2]		29,506	29,400
Tax Fees[3]		121,380	147,761
All Other Fees[4]		—	—
Total	$	2,062,724	2,469,122

[1] Consists of fees for our annual financial statement audit, quarterly financial statement reviews, reviews of other filings by us with the SEC, audit of our internal control over financial reporting and for services that are normally provided by an auditor in connection with statutory and regulatory filings or engagements.

[2] Consists of fees for audit of the GCI 401(k) Plan and review of the related annual report on Form 11-K filed with the SEC.

[3] Consists of fees for review of our state and federal income tax returns and consultation on various tax advice and tax planning matters.

[4] Consists of fees for any services not included in the first three types of fees identified in the table.

All of the services described above were approved in conformity with the Audit Committee's pre-approval policy.

Part IV

Item 15. Exhibits, Consolidated Financial Statement Schedules

Report of Independent Registered Public Accounting Firm

Board of Directors and Shareholders
General Communication, Inc.

We have audited the accompanying consolidated balance sheets of General Communication, Inc. (an Alaska corporation) and subsidiaries (the "Company") as of December 31, 2014 and 2013, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2014. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of General Communication, Inc. and subsidiaries as of December 31, 2014 and 2013, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2014 in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2014, based on criteria established in the 2013 *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 5, 2015 expressed an adverse opinion.

/s/ GRANT THORNTON LLP

Anchorage, Alaska
March 5, 2015

Report of Independent Registered Public Accounting Firm

Board of Directors and Shareholders
General Communication, Inc.

We have audited the internal control over financial reporting of General Communication, Inc. (an Alaska corporation) and subsidiaries (the "Company") as of December 31, 2014, based on criteria established in the 2013 *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting ("Management's Report"). Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

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

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

A material weakness is a deficiency, or combination of control deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weakness has been identified and included in management's assessment.

The Company identified a material weakness related to the inadequate design of internal controls over the calculation of income tax expense.

In our opinion, because of the effect of the material weakness described above on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of December 31, 2014, based on criteria established in the 2013 *Internal Control-Integrated Framework* issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements of the Company as of and for the year ended December 31, 2014. The material weakness identified above was considered in determining the nature, timing, and extent of audit tests applied

in our audit of the 2014 consolidated financial statements, and this report does not affect our report dated March 5, 2015, which expressed an unqualified opinion on those financial statements.

/s/ GRANT THORNTON LLP

Anchorage, Alaska
March 5, 2015

GENERAL COMMUNICATION, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Amounts in thousands) ASSETS	December 31, 2014	2013
Current assets:		
Cash and cash equivalents	$ 15,402	44,971
Receivables (including $27,944 and $28,029 from a related party at December 31, 2014 and 2013, respectively)	212,441	228,372
Less allowance for doubtful receivables	4,542	2,346
Net receivables	207,899	226,026
Deferred income taxes	56,120	39,753
Inventories	17,032	10,347
Prepaid expenses	12,179	7,725
Other current assets	153	230
Total current assets	308,785	329,052
Property and equipment in service, net of depreciation	1,013,242	969,578
Construction in progress	99,240	87,476
Net property and equipment	1,112,482	1,057,054
Goodwill	229,560	219,041
Cable certificates	191,635	191,635
Wireless licenses	86,347	91,400
Other intangible assets, net of amortization	66,015	71,435
Deferred loan and senior notes costs, net of amortization of $8,644 and $6,545 at December 31, 2014 and 2013, respectively	10,949	12,129
Other assets	52,725	40,061
Total other assets	637,231	625,701
Total assets	$ 2,058,498	2,011,807

See accompanying notes to consolidated financial statements.

Continued

GENERAL COMMUNICATION, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Continued)

(Amounts in thousands)	December 31,	
LIABILITIES AND STOCKHOLDERS' EQUITY	2014	2013
Current liabilities:		
Current maturities of obligations under long-term debt and capital leases	$ 8,722	9,301
Accounts payable (including $7,447 and $11,221 to a related party at December 31, 2014 and 2013, respectively)	76,918	65,095
Accrued payroll and payroll related obligations	32,803	29,855
Deferred revenue	29,314	27,586
Accrued liabilities	14,457	14,359
Accrued interest	6,654	7,088
Subscriber deposits	1,212	1,326
Total current liabilities	170,080	154,610
Long-term debt, net	1,036,056	1,045,144
Obligations under capital leases, excluding current maturities	66,499	66,261
Obligation under capital lease due to related party, excluding current maturity	1,857	1,880
Deferred income taxes	187,872	161,476
Long-term deferred revenue	85,734	88,259
Other liabilities	43,178	36,823
Total liabilities	1,591,276	1,554,453
Commitments and contingencies		
Stockholders' equity:		
Common stock (no par):		
Class A. Authorized 100,000 shares; issued 37,998 and 37,299 shares at December 31, 2014 and 2013, respectively; outstanding 37,972 and 37,209 shares at December 31, 2014 and 2013, respectively	13,617	11,467
Class B. Authorized 10,000 shares; issued and outstanding 3,159 and 3,165 shares at December 31, 2014 and 2013, respectively; convertible on a share-per-share basis into Class A common stock	2,668	2,673
Less cost of 26 and 90 Class A common shares held in treasury at December 31, 2014 and 2013, respectively	(249)	(866)
Paid-in capital	26,773	26,880
Retained earnings	124,547	116,990
Total General Communication, Inc. stockholders' equity	167,356	157,144
Non-controlling interests	299,866	300,210
Total stockholders' equity	467,222	457,354
Total liabilities and stockholders' equity	$ 2,058,498	2,011,807

See accompanying notes to consolidated financial statements.

GENERAL COMMUNICATION, INC. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
YEARS ENDED DECEMBER 31, 2014, 2013, AND 2012

(Amounts in thousands, except per share amounts)	2014	2013	2012
Revenues:			
Non-related party	$ 850,656	782,971	710,181
Related party	59,542	28,677	—
Total revenues	910,198	811,648	710,181
Cost of goods sold (exclusive of depreciation and amortization shown separately below):			
Non-related party	291,770	275,701	247,501
Related party	10,934	4,761	—
Total cost of goods sold	302,704	280,462	247,501
Selling, general and administrative expenses			
Non-related party	289,674	268,026	241,079
Related party	3,973	3,039	2,169
Total selling, general and administrative expenses	293,647	271,065	243,248
Depreciation and amortization expense	170,285	147,259	130,452
Operating income	143,562	112,862	88,980
Other income (expense):			
Interest expense (including amortization of deferred loan fees)	(72,496)	(69,725)	(67,747)
Other	(1,793)	(453)	17
Other expense, net	(74,289)	(70,178)	(67,730)
Income before income tax expense	69,273	42,684	21,250
Income tax expense	(10,029)	(10,957)	(12,088)
Net income	59,244	31,727	9,162
Net income (loss) attributable to non-controlling interests	51,687	22,321	(511)
Net income attributable to General Communication, Inc.	$ 7,557	9,406	9,673
Basic net income attributable to General Communication, Inc. common stockholders per Class A common share	$ 0.18	0.23	0.23
Basic net income attributable to General Communication, Inc. common stockholders per Class B common share	$ 0.18	0.23	0.23
Diluted net income attributable to General Communication, Inc. common stockholders per Class A common share	$ 0.18	0.23	0.23
Diluted net income attributable to General Communication, Inc. common stockholders per Class B common share	$ 0.18	0.23	0.23

See accompanying notes to consolidated financial statements.

GENERAL COMMUNICATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2014, 2013 AND 2012

(Amounts in thousands)	Class A Common Stock	Class B Common Stock	Class A and B Shares Held in Treasury	Paid-in Capital	Retained Earnings	Non-controlling Interests	Total Stockholders' Equity
Balances at January 1, 2012	$ 26,179	2,679	(2,225)	32,795	97,911	16,308	173,647
Net income (loss)	—	—	—	—	9,673	(511)	9,162
Common stock repurchases and retirements	(17,701)	—	90	—	—	—	(17,611)
Shares issued under stock option plan	2,118	—	—	—	—	—	2,118
Issuance of restricted stock awards	12,104	—	—	(12,104)	—	—	—
Share-based compensation expense	—	—	—	5,072	—	—	5,072
Issuance of treasury shares related to deferred compensation payment	—	—	511	69	—	—	580
Investment by non-controlling interest	—	—	—	—	—	16,461	16,461
Other	3	(3)	7	—	—	—	7
Balances at December 31, 2012	22,703	2,676	(1,617)	25,832	107,584	32,258	189,436
Net income	—	—	—	—	9,406	22,321	31,727
Common stock repurchases and retirements	(17,338)	—	130	—	—	—	(17,208)
Shares issued under stock option plan	622	—	—	—	—	—	622
Issuance of restricted stock awards	5,477	—	—	(5,477)	—	—	—
Share-based compensation expense	—	—	—	6,525	—	—	6,525
Issuance of treasury shares related to deferred compensation payment	—	—	621	—	—	—	621
Investment by non-controlling interest	—	—	—	—	—	267,642	267,642
Distribution to non-controlling interests	—	—	—	—	—	(22,011)	(22,011)
Other	3	(3)	—	—	—	—	—
Balances at December 31, 2013	11,467	2,673	(866)	26,880	116,990	300,210	457,354
Net income	—	—	—	—	7,557	51,687	59,244
Common stock repurchases and retirements	(6,850)	—	—	—	—	—	(6,850)
Shares issued under stock option plan	466	—	—	—	—	—	466
Issuance of restricted stock awards	8,529	—	—	(8,529)	—	—	—
Share-based compensation expense	—	—	—	8,324	—	—	8,324
Issuance of treasury shares related to deferred compensation payment	—	—	617	98	—	—	715
Distribution to non-controlling interests	—	—	—	—	—	(50,000)	(50,000)
Adjustment to investment by non-controlling interest	—	—	—	—	—	(2,131)	(2,131)
Other	5	(5)	—	—	—	100	100
Balances at December 31, 2014	$ 13,617	2,668	(249)	26,773	124,547	299,866	467,222

See accompanying notes to consolidated financial statements.

GENERAL COMMUNICATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2014, 2013 AND 2012

(Amounts in thousands)	2014	2013	2012
Cash flows from operating activities:			
Net income	$ 59,244	31,727	9,162
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization expense	170,285	147,259	130,452
Share-based compensation expense	8,392	6,638	5,040
Deferred income tax expense	10,029	10,957	12,088
Other noncash income and expense items	9,933	5,231	6,651
Change in operating assets and liabilities	320	(42,178)	(10,610)
Net cash provided by operating activities	258,203	159,634	152,783
Cash flows from investing activities:			
Purchases of property and equipment	(176,109)	(180,554)	(146,038)
Purchase of equity investments	(25,735)	—	—
Purchases of other assets and intangible assets	(11,018)	(6,027)	(6,152)
Proceeds from the sale of equity investments	6,180	—	—
Restricted cash	5,871	23,997	(25,244)
Purchase of businesses, net of cash received	(2,514)	(107,600)	(1,874)
Grant proceeds	1,136	2,405	10,403
Other	49	1,428	—
Net cash used in investing activities	(202,140)	(266,351)	(168,905)
Cash flows from financing activities:			
Repayment of debt and capital lease obligations	(118,585)	(98,152)	(64,540)
Borrowing on Senior Credit Facility	89,000	261,000	70,000
Distribution to non-controlling interest	(50,000)	(17,845)	—
Purchase of treasury stock to be retired	(6,850)	(17,208)	(17,611)
Proceeds from stock option exercises	466	622	2,118
Borrowing of other long-term debt	421	1,770	4,729
Payment of debt issuance costs	(84)	(2,990)	—
Investment by non-controlling interests	—	—	16,461
Other	—	—	69
Net cash provided by (used by) financing activities	(85,632)	127,197	11,226
Net increase (decrease) in cash and cash equivalents	(29,569)	20,480	(4,896)
Cash and cash equivalents at beginning of period	44,971	24,491	29,387
Cash and cash equivalents at end of period	$ 15,402	44,971	24,491

See accompanying notes to consolidated financial statements.

GENERAL COMMUNICATION, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

(1) Business and Summary of Significant Accounting Principles

In the following discussion, General Communication, Inc. ("GCI") and its direct and indirect subsidiaries are referred to as "we," "us" and "our."

(a) Business

GCI, an Alaska corporation, was incorporated in 1979. We offer the following services primarily in Alaska:

- Postpaid and prepaid wireless telephone services and sale of wireless telephone handsets and accessories,
- Video services,
- Internet access services,
- Wholesale wireless, including postpaid and prepaid wireless plans for resale by other carriers and roaming for certain wireless carriers,
- Origination and termination of wireline traffic for certain common carriers,
- Local and long-distance telephone service,
- Data network services,
- Broadband services, including our SchoolAccess® offering to rural school districts, our ConnectMD® offering to rural hospitals and health clinics, and managed video conferencing,
- Managed services to certain commercial customers,
- Sales and service of dedicated communications systems and related equipment, and
- Lease, service arrangements and maintenance of capacity on our fiber optic cable systems used in the transmission of services within Alaska and between Alaska and the remaining United States and foreign countries.

(b) Basis of Presentation and Principles of Consolidation

Our consolidated financial statements include the consolidated accounts of GCI and its wholly owned subsidiaries, The Alaska Wireless Network, LLC ("AWN") of which we own a two-third interest and four variable interest entities ("VIEs") for which we are the primary beneficiary after providing certain loans and guarantees and have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). These VIEs are Terra GCI Investment Fund, LLC ("TIF"), Terra GCI 2 Investment Fund, LLC ("TIF 2"), Terra GCI 2-USB Investment Fund, LLC ("TIF 2-USB") and Terra GCI 3 Investment Fund, LLC ("TIF 3"). TIF became a VIE on August 30, 2011. TIF 2 and TIF 2-USB became VIEs on October 3, 2012. TIF 3 became a VIE on December 11, 2012. We also include in our consolidated financial statements non-controlling interests in consolidated subsidiaries for which our ownership is less than 100 percent. All significant intercompany transactions between non-regulated affiliates of our company are eliminated. Intercompany transactions generated between regulated and non-regulated affiliates of our company are not eliminated in consolidation.

(c) Non-controlling Interests

Non-controlling interests represent the equity ownership interests in consolidated subsidiaries not owned by us. Non-controlling interests are adjusted for contributions, distributions, and earnings (loss) attributable to the non-controlling interest partners of the consolidated entities. Income and loss is allocated to the non-controlling interests based on the respective partnership agreements.

(d) Acquisitions

AWN

On July 22, 2013, we closed the transactions under the Asset Purchase and Contribution Agreement (“Wireless Agreement”) and other related agreements entered into on June 4, 2012 by and among Alaska Communications Systems Group, Inc. (“ACS”), GCI, ACS Wireless, Inc., a wholly owned subsidiary of ACS, GCI Wireless Holdings, LLC, a wholly owned subsidiary of GCI, and AWN, pursuant to which the parties agreed to contribute the respective wireless network assets of GCI, ACS and their affiliates to AWN. AWN provides wholesale services to GCI and ACS. GCI and ACS use the AWN network in order to continue to sell services to their respective retail customers. GCI and ACS continue to compete against each other and other wireless providers in the retail wireless market.

Under the terms of the Wireless Agreement, we contributed our wireless network assets and certain rights to use capacity to AWN. Additionally, ACS contributed its wireless network assets and certain rights to use capacity to AWN. As consideration for the contributed business assets and liabilities, ACS received $100.0 million in cash from GCI, a one-third ownership interest in AWN and entitlements to receive preferential cash distributions totaling $190.0 million over the first four years of AWN’s operations ("Preference Period") contingent on the future cash flows of AWN. The preferential cash distribution is cumulative and may be paid beyond the Preference Period until the entire $190.0 million is paid. We expect ACS's preferential cash distributions to be higher than that which they would receive from their one-third interest. We received a two-third ownership interest in AWN, as well as entitlements to receive all remaining cash distributions after ACS’s preferential cash distributions during the Preference Period. The distributions to each member are subject to adjustment based on the number of ACS and GCI wireless subscribers, with the aggregate adjustment capped at $21.8 million for each member over the Preference Period. Following the Preference Period, we and ACS will receive distributions proportional to our ownership interests.

We accounted for the acquisition of AWN using the acquisition method of accounting for business combinations with GCI treated as the acquiring entity. Accordingly, the assets and liabilities contributed by ACS were recorded at estimated fair values as of July 23, 2013, using the acquisition method of accounting in accordance with Accounting Standards Codification ("ASC") 805, Business Combinations. We used a combination of the discounted cash flows and market method to value the wireless licenses. We used the cost approach to value the acquired fixed assets and rights to use capacity assets. We used a discounted cash flow method to determine the fair value of the non-controlling interest. The assets and liabilities contributed to AWN by GCI were measured at their carrying amount immediately prior to the contribution as GCI is maintaining control over the assets and liabilities.

The following table summarizes the final purchase price and the estimated fair value of ACS's assets acquired and liabilities assumed, effective July 23, 2013 (amounts in thousands):

Purchase price:		Previously Reported	Adjustments	Final Purchase Price Allocation
Cash consideration paid	$	100,000	—	100,000
Fair value of the one-third ownership interest of AWN		267,642	(2,131)	265,511
Total purchase price	$	367,642	(2,131)	365,511
Assets acquired and liabilities assumed:				
Acquired assets				
Current assets	$	16,952	11	16,963
Property and equipment, including construction in progress		82,473	138	82,611
Goodwill		140,081	8,867	148,948
Wireless licenses		65,433	(5,053)	60,380
Rights to use capacity		52,636	(7,298)	45,338
Other assets		16,078	1,204	17,282
Fair value of liabilities assumed		(6,011)	—	(6,011)
Total fair value of assets acquired and liabilities assumed	$	367,642	(2,131)	365,511

We modified the initial preliminary AWN purchase price allocation during 2014 as noted in the table above due to additional information received from ACS related to the allocation of ACS' network contributed to AWN that impacted the estimated fair value.

Goodwill in the amount of $148.9 million was recorded as a result of the acquisition and assigned to our Wireless segment. Goodwill is calculated as the excess of the consideration transferred over the net assets recognized and represents the estimated future economic benefits arising from other assets acquired that could not be individually identified and separately recognized. The goodwill is primarily the result of synergies expected from the combination. Other assets is primarily comprised of future capacity receivable.

The acquisition resulted in additional revenues of $50.6 million for the year ended December 31, 2013. It is impracticable for us to determine the amount of earnings of the acquired business included in our Consolidated Income Statement for the year ended December 31, 2013, due to the significant transfer of personnel, fixed assets and other expenses into and between newly created and historical cost centers that has occurred subsequent to the acquisition.

Unaudited pro forma financial information does not purport to be indicative of the actual results that would have occurred if the acquisition had actually been completed on January 1, 2012, nor is it necessarily indicative of the future revenue of the combined company. The following unaudited pro forma financial information is presented as if the acquisition occurred on January 1, 2012 (amounts in thousands):

		(unaudited) Years Ended December 31, 2013	2012
Pro forma consolidated revenue	$	897,270	848,676

Supplemental pro forma earnings have not been provided as it would be impracticable due to the nature of GCI's and ACS's respective wireless operations prior to the business combination. GCI and ACS were unable to disaggregate the components of expenses related to their wireless operations contributed to AWN

and thus the amounts would require estimates so significant that the resulting information would not be meaningful.

Transaction costs of $1.8 million and $2.9 million were recorded in selling, general and administrative expense in the years ended December 31, 2013 and 2012, respectively.

Denali Media Holdings

Effective November 1, 2013 we closed the transactions under the asset purchase agreements, pursuant to which Denali Media Holdings, Corp., a wholly owned subsidiary of GCI, through its wholly owned subsidiaries, Denali Media Anchorage, Corp. and Denali Media Southeast, Corp., agreed to purchase three Alaska broadcast stations: CBS affiliate KTVA-TV of Anchorage and NBC affiliates KATH-TV in Juneau and KSCT-TV of Sitka, for a total of $7.6 million ("Media Agreements"). We accounted for the acquisitions using the acquisition method of accounting for business combinations with GCI treated as the acquiring entity. We consider these business combinations to be immaterial to our consolidated financial statements.

(e) Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers,* or ASU 2014-09. This new standard provides guidance for the recognition, measurement and disclosure of revenue resulting from contracts with customers and will supersede virtually all of the current revenue recognition guidance under GAAP. The standard is effective for the first interim period within annual reporting periods beginning after December 15, 2016. Early adoption is not permitted. The standard permits the use of either the retrospective or cumulative effect transition method. We are currently evaluating the impact of the provisions of this new standard on our financial position and results of operations.

(f) Regulatory Accounting

We account for the regulated operations of our incumbent local exchange carrier in accordance with the accounting principles for regulated enterprises. This accounting recognizes the economic effects of rate regulation by recording cost and a return on investment as such amounts are recovered through rates authorized by regulatory authorities. Accordingly, plant and equipment is depreciated over lives approved by regulators and certain costs and obligations are deferred based upon approvals received from regulators to permit recovery of such amounts in future years. Our cost studies and depreciation rates for our regulated operations are subject to periodic audits that could result in a change to recorded revenues.

(g) Earnings per Common Share

We compute net income per share of Class A and Class B common stock using the "two class" method. Therefore, basic net income per share is computed by dividing net income applicable to common stockholders by the weighted average number of common shares outstanding during the period. Diluted net income per share is computed by dividing net income by the weighted average number of common and dilutive common equivalent shares outstanding during the period. The computation of the dilutive net income per share of Class A common stock assumes the conversion of Class B common stock to Class A common stock, while the dilutive net income per share of Class B common stock does not assume the conversion of those shares. Additionally, in applying the "two-class" method, undistributed earnings are allocated to both common shares and participating securities. Our restricted stock grants are entitled to dividends and meet the criteria of a participating security.

Undistributed earnings for each year are allocated based on the contractual participation rights of Class A and Class B common shares as if the earnings for the year had been distributed. In accordance with our Articles of Incorporation, if and when dividends are declared on our common stock in accordance with Alaska corporate law, equivalent dividends shall be paid with respect to the shares of Class A and Class B common stock. Both classes of common stock have identical dividend rights and would therefore share equally in our net assets in the event of liquidation. As such, we have allocated undistributed earnings on a proportionate basis.

Earnings per common share ("EPS") and common shares used to calculate basic and diluted EPS consist of the following (amounts in thousands, except per share amounts):

	Year Ended December 31, 2014	
	Class A	Class B
Basic net income per share:		
Numerator:		
Allocation of undistributed earnings	$ 6,980	577
Denominator:		
Weighted average common shares outstanding	38,219	3,162
Basic net income attributable to GCI common stockholders per common share	$ 0.18	0.18
Diluted net income per share:		
Numerator:		
Allocation of undistributed earnings for basic computation	$ 6,980	577
Reallocation of undistributed earnings as a result of conversion of Class B to Class A shares	577	—
Effect of share based compensation that may be settled in cash or shares	—	(2)
Net income adjusted for allocation of undistributed earnings	$ 7,557	575
Denominator:		
Number of shares used in basic computation	38,219	3,162
Conversion of Class B to Class A common shares outstanding	3,162	—
Unexercised stock options	112	—
Number of shares used in per share computation	41,493	3,162
Diluted net income attributable to GCI common stockholders per common share	$ 0.18	0.18

	Years Ended December 31,			
	2013		2012	
	Class A	Class B	Class A	Class B
Basic net income per share:				
Numerator:				
Allocation of undistributed earnings	$ 8,678	728	8,938	735
Denominator:				
Weighted average common shares outstanding	37,732	3,166	38,560	3,170
Basic net income attributable to GCI common stockholders per common share	$ 0.23	0.23	0.23	0.23
Diluted net income per share:				
Numerator:				
Allocation of undistributed earnings for basic computation	$ 8,678	728	8,938	735
Reallocation of undistributed earnings as a result of conversion of Class B to Class A shares	728	—	735	—
Reallocation of undistributed earnings as a result of conversion of dilutive securities	—	(3)	—	(8)
Effect of share based compensation that may be settled in cash or shares	—	—	(13)	—
Net income adjusted for allocation of undistributed earnings and effect of share based compensation that may be settled in cash or shares	$ 9,406	725	9,660	727
Denominator:				
Number of shares used in basic computation	37,732	3,166	38,560	3,170
Conversion of Class B to Class A common shares outstanding	3,166	—	3,170	—
Unexercised stock options	142	—	158	—
Effect of share based compensation that may be settled in cash or shares	—	—	231	—
Number of shares used in per share computation	41,040	3,166	42,119	3,170
Diluted net income attributable to GCI common stockholders per common share	$ 0.23	0.23	0.23	0.23

Weighted average shares associated with outstanding share awards for the years ended December 31, 2014, 2013 and 2012 which have been excluded from the computations of diluted EPS, because the effect of including these share awards would have been anti-dilutive, consist of the following (shares, in thousands):

	Years Ended December 31,		
	2014	2013	2012
Shares associated with anti-dilutive unexercised stock options	29	86	88
Share-based compensation that may be settled in cash or shares, the effect of which is anti-dilutive	26	90	—

Shares associated with contingent awards for the years ended December 31, 2014, 2013 and 2012, which have been excluded from the computations of diluted EPS because the contingencies of these awards have not been met at December 31, 2014, 2013 and 2012, consist of the following (shares in thousands):

	Years Ended December 31,		
	2014	2013	2012
Shares associated with contingent awards	—	—	58

(h) Common Stock

Following are the changes in issued common stock for the years ended December 31, 2014, 2013 and 2012 (shares, in thousands):

	Class A	Class B
Balances at January 1, 2012	39,296	3,171
Class B shares converted to Class A	2	(2)
Shares issued upon stock option exercises	320	—
Share awards issued	731	—
Shares repurchased and retired	(1,469)	—
Shares acquired to settle minimum statutory tax withholding requirements and subsequently retired	(337)	—
Other	(9)	—
Balances at December 31, 2012	38,534	3,169
Class B shares converted to Class A	4	(4)
Shares issued upon stock option exercises	87	—
Share awards issued	680	—
Shares repurchased and retired	(1,822)	—
Shares acquired to settle minimum statutory tax withholding requirements and subsequently retired	(147)	—
Other	(37)	—
Balances at December 31, 2013	37,299	3,165
Class B shares converted to Class A	6	(6)
Shares issued upon stock option exercises	51	—
Share awards issued	1,267	—
Shares repurchased and retired	(429)	—
Shares acquired to settle minimum statutory tax withholding requirements and subsequently retired	(196)	—
Balances at December 31, 2014	37,998	3,159

GCI's Board of Directors has authorized a common stock buyback program for the repurchase of GCI's Class A and Class B common stock in order to reduce the outstanding shares of Class A and Class B

common stock. Under the common stock buyback plan approved by GCI's Board of Directors in 2010 we are authorized to repurchase up to $200.0 million worth of GCI common stock, to increase our repurchase limit $5.0 million per quarter indefinitely and to use stock option exercise proceeds to repurchase additional shares. If stock repurchases are less than the total approved quarterly amount the difference may be carried forward and used to repurchase additional shares in future quarters. The cost of the repurchased common stock reduced Common Stock on our Consolidated Balance Sheets.

During the years ended December 31, 2014, 2013 and 2012 we repurchased 0.4 million, 1.8 million and 1.5 million shares, respectively, of our Class A common stock under the stock buyback program at a cost of $4.2 million, $15.6 million and $14.0 million, respectively. Under this program we are currently authorized to make up to $122.2 million of repurchases as of December 31, 2014. The repurchased stock was constructively retired as of December 31, 2014, 2013 and 2012.

We expect to continue the repurchases for an indefinite period dependent on leverage, liquidity, company performance, and market conditions and subject to continued oversight by GCI's Board of Directors.

(i) Redeemable Preferred Stock

We have 1,000,000 shares of preferred stock authorized with no shares issued and outstanding at years ended December 31, 2014, 2013 and 2012.

(j) Treasury Stock

We account for treasury stock purchased for general corporate purposes under the cost method and include treasury stock as a component of Stockholders' Equity. Treasury stock purchased with intent to retire (whether or not the retirement is actually accomplished) is charged to Class A or Class B Common Stock.

(k) Cash Equivalents

Cash equivalents consist of certificates of deposit which have an original maturity of three months or less at the date acquired and are readily convertible into cash.

(l) Accounts Receivable and Allowance for Doubtful Receivables

Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful receivables is our best estimate of the amount of probable credit losses in our existing accounts receivable. We base our estimates on the aging of our accounts receivable balances, financial health of specific customers, regional economic data, changes in our collections process, regulatory requirements and our customers' compliance with Universal Service Administrative Company rules. We review our allowance for doubtful receivables methodology at least annually.

Depending upon the type of account receivable our allowance is calculated using a pooled basis with an allowance for all accounts greater than 120 days past due or a specific identification method. When a specific identification method is used, potentially uncollectible accounts due to bankruptcy or other issues are reviewed individually for collectability. Account balances are charged off against the allowance when we feel it is probable the receivable will not be recovered. We do not have any off-balance-sheet credit exposure related to our customers.

(m) Inventories

Wireless handset inventories are stated at the lower of cost or market (net realizable value). Cost is determined using the average cost method. Handset costs in excess of the revenues generated from handset sales, or handset subsidies, are expensed at the time of sale. We do not recognize the expected handset subsidies prior to the time of sale because the promotional discount decision is made at the point of sale and/or because we expect to recover the handset subsidies through service revenue.

Inventories of other merchandise for resale and parts are stated at the lower of cost or market. Cost is determined using the average cost method.

(n) Property and Equipment

Property and equipment is stated at cost. Construction costs of facilities are capitalized. Equipment financed under capital leases is recorded at the lower of fair market value or the present value of future minimum lease payments at inception of the lease. Construction in progress represents transmission equipment and support equipment and systems not placed in service on December 31, 2014, that management intends to place in service during 2015.

Depreciation is computed using the straight-line method based upon the shorter of the estimated useful lives of the assets or the lease term, if applicable, in the following ranges:

Asset Category	Asset Lives
Telephony transmission equipment and distribution facilities	5-20 years
Fiber optic cable systems	15-25 years
Cable transmission equipment and distribution facilities	5-30 years
Support equipment and systems	3-20 years
Transportation equipment	5-13 years
Property and equipment under capital leases	12-20 years
Buildings	25 years
Customer premise equipment	2-20 years
Studio equipment	10-15 years

Amortization of property and equipment under capital leases is included in Depreciation and Amortization Expense on the Consolidated Income Statements.

Repairs and maintenance are charged to expense as incurred. Expenditures for major renewals and betterments are capitalized. Accumulated depreciation is removed and gains or losses are recognized at the time of sales or other dispositions of property and equipment.

(o) Intangible Assets and Goodwill

Goodwill, cable certificates (certificates of convenience and public necessity), wireless licenses and broadcast licenses are not amortized. Cable certificates represent certain perpetual operating rights to provide cable services. Wireless licenses represent the right to utilize certain radio frequency spectrum to provide wireless communications services. Broadcast licenses represent the right to broadcast television stations in certain areas. Goodwill represents the excess of cost over fair value of net assets acquired in connection with a business acquisition.

All other amortizable intangible assets are being amortized over 2 to 20 year periods using the straight-line method.

(p) Impairment of Intangibles, Goodwill, and Long-lived Assets

Cable certificates, wireless licenses and broadcast licenses are treated as indefinite-lived intangible assets and are tested annually for impairment or more frequently if events and circumstances indicate that the asset might be impaired. We are allowed to assess qualitative factors (“Step Zero”) in our annual test over our indefinite-lived intangible assets other than goodwill. The impairment test for identifiable indefinite-lived intangible assets other than goodwill consists of a comparison of the estimated fair value of the intangible asset with its carrying value. If the carrying value of the intangible asset exceeds its fair value, an impairment loss is recognized in an amount equal to that excess. After an impairment loss is recognized, the adjusted carrying amount of the asset becomes its new accounting basis. Impairment testing of our cable certificate and wireless license assets as of October 31, 2014 and 2013, used a direct discounted cash flow method. Impairment testing of our broadcast license assets as of October 31, 2014 used a direct discounted cash flow method. We did not perform an impairment test on our broadcast license assets during 2013 since we acquired them in November 2013 when we acquired the television stations pursuant to the Media Agreements. This approach requires us to make estimates and assumptions including projected cash flows and discount rates. These estimates and assumptions could have a significant impact on whether an impairment charge is recognized and also the magnitude of any such impairment charge.

Our goodwill is tested annually for impairment, and is tested for impairment more frequently if events and circumstances indicate that the assets might be impaired. In our annual test of goodwill, we are allowed to use Step Zero to determine whether it is more likely than not that goodwill is impaired. We chose not to apply Step Zero and chose to test for goodwill impairment using the traditional quantitative two-step process. The first step of the quantitative goodwill impairment test is used to identify potential impairment by comparing the fair value of a reporting unit with its carrying amount. To determine our reporting units, we evaluate the components one level below the segment level and we aggregate the components if they have similar economic characteristics. As a result of this assessment, our reporting units are the same as our two reportable segments. If the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment test compares the implied fair value of the reporting unit's goodwill with the carrying amount of that goodwill. If the carrying amount of the reporting unit's goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess. The implied fair value of goodwill is determined in the same manner as the amount of goodwill that would be recognized in a business combination. We use an income approach to determine the fair value of our reporting units for purposes of our goodwill impairment test. In addition, a market-based approach is used where possible to corroborate the fair values determined by the income approach. The income approach requires us to make estimates and assumptions including projected cash flows and discount rates. These estimates and assumptions could have a significant impact on whether an impairment charge is recognized and also the magnitude of any such impairment charge.

We completed our annual review and no impairment charge was recorded for the years ended December 31, 2014, 2013 and 2012.

Long-lived assets, such as property, plant, and equipment, and purchased intangibles subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. Recoverability of an asset group to be held and used is measured by a comparison of the carrying amount of an asset group to estimated undiscounted future cash flows expected to be generated by the asset group. If the carrying amount of an asset group exceeds its estimated undiscounted future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset group exceeds the fair value of the asset group.

(q) Amortization and Write-off of Loan Fees

Debt issuance costs are deferred and amortized using the effective interest method. If a refinancing or amendment of a debt instrument is a substantial modification, all or a portion of the applicable debt issuance costs are written off. If a debt instrument is repaid prior to the maturity date we will write-off a proportional amount of debt issuance costs.

(r) Other

Assets

Other Assets primarily include future capacity receivable, broadcast licenses, equity investments that are accounted for using the equity or cost method, restricted cash, long-term deposits, prepayments, and non-trade accounts receivable.

Under the terms of the Wireless Agreement, we acquired from ACS the rights to use additional network capacity which we may draw down in the future. The applicable portion of the future capacity receivable asset will be reclassified to the rights to use capacity asset when the capacity is placed in service and amortized using the straight-line method over the remaining 20 year period.

(s) Investments

We hold investments in equity method and cost method investees. Investments in equity method investees are those for which we have the ability to exercise significant influence but do not control and are not the primary beneficiary. Significant influence typically exists if we have a 20% to 50% ownership interest in the venture unless persuasive evidence to the contrary exists. Under this method of accounting, we record our proportionate share of the net earnings or losses of equity method investees and a corresponding increase or decrease to the investment balances. Cash payments to equity method investees such as additional investments, loans and advances and expenses incurred on behalf of investees, as well as payments from equity method investees such as dividends, distributions and repayments of loans and advances are

recorded as adjustments to investment balances. Investments in entities in which we have no control or significant influence are accounted for under the cost method.

We review our investment portfolio each reporting period to determine whether there are identified events or circumstances that would indicate there is a decline in the fair value that would be considered other than temporary. We recorded no impairment charges to equity method or cost method investments for the years ended December 31, 2014, 2013 and 2012.

(t) Asset Retirement Obligations

We record the fair value of a liability for an asset retirement obligation in the period in which it is incurred in Other Liabilities on the Consolidated Balance Sheets. When the liability is initially recorded, we capitalize a cost by increasing the carrying amount of the related long-lived asset. In periods subsequent to initial measurement, changes in the liability for an asset retirement obligation resulting from revisions to either the timing or the amount of the original estimate of undiscounted cash flows are recognized. Over time, the liability is accreted to its present value each period, and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, we either settle the obligation for its recorded amount or incur a gain or loss upon settlement.

The majority of our asset retirement obligations are the estimated cost to remove telephony transmission equipment and support equipment from leased property. Following is a reconciliation of the beginning and ending aggregate carrying amounts of our liability for asset retirement obligations (amounts in thousands):

Balance at December 31, 2012	$	16,280
Liability incurred		5,292
Additions upon the close of AWN		5,218
Accretion expense		77
Liability settled		(65)
Balance at December 31, 2013		26,802
Liability incurred		4,268
Accretion expense		1,249
Revision in estimate		(355)
Liability settled		(24)
Balance at December 31 2014	$	31,940

During the years ended December 31, 2014 and 2013, we recorded additional capitalized costs of $4.3 million and $10.5 million, respectively, in Property and Equipment in Service, Net of Depreciation.

Certain of our network facilities are on property that requires us to have a permit and the permit contains provisions requiring us to remove our network facilities in the event the permit is not renewed. We expect to continually renew our permits and therefore cannot estimate any liabilities associated with such agreements. A remote possibility exists that we would not be able to successfully renew a permit, which could result in us incurring significant expense in complying with restoration or removal provisions.

(u) Revenue Recognition

All revenues are recognized when the earnings process is complete. Revenue recognition is as follows:

- Revenues generated from long-distance service usage and plan fees, Internet service excess usage, and managed services are recognized when the services are provided,
- We recognize unbilled revenues when the service is provided based upon minutes of use processed, and/or established rates, net of credits and adjustments,
- Video service package fees, local access and Internet service plan fees, and data network revenues are billed in advance, recorded as Deferred Revenue on the balance sheet, and are recognized as the associated service is provided,

- Certain of our wireless services offerings have been determined to be revenue arrangements with multiple deliverables. Revenues are recognized as each element is earned based on objective evidence regarding the relative fair value of each element and when there are no undelivered elements that are essential to the functionality of the delivered elements. Revenues generated from wireless service usage and plan fees are recognized when the services are provided. Revenues generated from the sale of wireless handsets and accessories are recognized when the amount is known and title to the handset and accessories passes to the customer. As the non-refundable, up-front activation fee charged to the customer does not meet the criteria as a separate unit of accounting, we allocate the additional arrangement consideration received from the activation fee to the handset (the delivered item) to the extent that the aggregate handset and activation fee proceeds do not exceed the fair value of the handset. Any activation fees not allocated to the handset would be deferred upon activation and recognized as service revenue on a straight-line basis over the expected customer relationship period,
- The majority of our equipment sale transactions involve the sale of communications equipment with no other services involved. Such equipment is subject to standard manufacturer warranties and we do not manufacture any of the equipment we sell. In such instances, the customer takes title to the equipment generally upon delivery. We recognize revenue for such transactions when title passes to the customer and the revenue is earned and realizable. On certain occasions we enter into agreements to sell and satisfactorily install or integrate telecommunications equipment for a fixed fee. Customers may have refund rights if the installed equipment does not meet certain performance criteria. We defer revenue recognition until we have received customer acceptance per the contract or agreement, and all other required revenue recognition elements have been achieved. Revenues from contracts with multiple element arrangements, such as those including installation and integration services, are recognized as each element is earned based on objective evidence regarding the relative fair value of each element and when there are no undelivered elements that are essential to the functionality of the delivered elements,
- Technical services revenues are derived primarily from maintenance contracts on equipment and are recognized on a prorated basis over the term of the contracts,
- We account for fiber capacity Indefeasible Right to Use ("IRU") agreements as an operating lease or service arrangement and we defer the revenue and recognize it ratably over the life of the IRU or as service is rendered,
- Access revenue is recognized when earned. We participate in access revenue pools with other telephone companies. Such pools are funded by toll revenue and/or access charges regulated by the Regulatory Commission of Alaska ("RCA") within the intrastate jurisdiction and the Federal Communications Commission (“FCC”) within the interstate jurisdiction. Much of the interstate access revenue is initially recorded based on estimates. These estimates are derived from interim financial information, available separation studies and the most recent information available about achieved rates of return. These estimates are subject to adjustment in future accounting periods as additional information becomes available. To the extent that a dispute arises over revenue settlements, our policy is to defer revenue recognition until the dispute is resolved,
- We receive grant revenue for the purpose of building communication infrastructure in rural areas. We defer the revenue and recognize it over the life of the asset that was constructed using grant funds.
- We pay cash incentives to ACS when wireless handsets are sold to their retail wireless customers and this incentive is recorded as an offset to revenue, and
- Other revenues are recognized when the service is provided.

As an Eligible Telecommunications Carrier ("ETC"), we receive support from the Universal Service Fund ("USF") to support the provision of wireline local access and wireless service in high cost areas. In November 2011, the FCC published a final rule that segregated the support methodology for Remote and Urban areas in Alaska.

Remote High Cost Support

Remote high cost support is based upon the 2011 support disbursed to Competitive Eligible Telecommunications Carriers (“CETCs”) (“Statewide Support Cap”) providing supported services in Remote Alaska, except AT&T. On January 1, 2012, the per-line rates paid in the Remote areas were frozen by the USF and cannot exceed $250 per line per month on a study area basis. Line count growth that causes

support to exceed the Statewide Support Cap triggers a pro rata support payment reduction to all subject Alaska CETCs until the support is reduced to the Statewide Support Cap amount.

We accrue estimated program revenue based on current line counts and the frozen per-line rates, reduced as needed by our estimate of the impact of the Statewide Support Cap. When determining the estimated program revenue accrual, we also consider our assessment of the impact of current FCC regulations and of the potential outcome of FCC proceedings. Our estimated accrued revenue is subject to our judgment regarding the outcome of many variables and is subject to upward or downward adjustment in subsequent periods.

Additionally, the FCC determined that Remote support will continue to be based on line counts (subject to the Statewide Support Cap) until the last full month prior to the implementation of a successor funding mechanism. A further rulemaking to consider successor funding mechanisms is underway.

Urban High Cost Support
Urban high cost support payments are frozen at the monthly average of the subject CETC's 2011 annual support and are not dependent upon line counts. A 20% annual phase down commenced July 1, 2012.
The phase down has been capped at 60% and the subject CETCs will continue to receive annual support payments at the 60% level until a successor funding mechanism is implemented. A further rulemaking to consider successor funding mechanisms is underway and once a new funding mechanism is in place the phase down will restart the annual 20% decrease until no support is paid.

We apply the proportional performance revenue recognition method to account for the impact of the declining payments while our level of service provided and associated costs remain constant. Included in the calculation are the scheduled Urban high cost support payments from October 2011 through July 2017 net of our Urban accounts receivable balance at September 30, 2011. An equal amount of this result is recognized as Urban support revenue each period.

For both Remote and Urban high cost support revenue, our ability to collect our accrued USF support is contingent upon continuation of the USF program and upon our eligibility to participate in that program, which are subject to change by future regulatory, legislative or judicial actions. We adjust revenue and the account receivable in the period the FCC makes a program change or we assess the likelihood that such a change has increased or decreased revenue. We do not recognize revenue related to a particular service area until our ETC status has been approved by the RCA.

We recorded high cost support revenue under the USF program of $66.7 million, $55.6 million and 42.8 million for the years ended December 31, 2014, 2013 and 2012, respectively. At December 31, 2014, we have $47.0 million in high cost accounts receivable.

(v) Advertising
Expense
We expense advertising costs in the period during which the first advertisement appears. Advertising expenses were $5.7 million, $5.2 million and $4.9 million for the years ended December 31, 2014, 2013 and 2012, respectively.

(w) Leases
Scheduled operating lease rent increases are amortized over the expected lease term on a straight-line basis. Rent holidays are recognized on a straight-line basis over the operating lease term (including any rent holiday period).

Leasehold improvements are amortized over the shorter of their economic lives or the lease term. We may amortize a leasehold improvement over a term that includes assumption of a lease renewal if the renewal is reasonably assured. Leasehold improvements acquired in a business combination are amortized over the shorter of the useful life of the assets or a term that includes required lease periods and renewals that are deemed to be reasonably assured at the date of acquisition. Leasehold improvements that are placed in service significantly after and are not contemplated at or near the beginning of the lease term are amortized over the shorter of the useful life of the assets or a term that includes required lease periods and renewals that are deemed to be reasonably assured at the date the leasehold improvements are purchased.

Leasehold improvements made by us and funded by landlord incentives or allowances under an operating lease are recorded as deferred rent and amortized as reductions to lease expense over the lease term.

(x) Interest Expense

Material interest costs incurred during the construction period of non-software capital projects are capitalized. Interest costs incurred during the development period of a software capital project are capitalized. Interest is capitalized in the period commencing with the first expenditure for a qualifying capital project and ending when the capital project is substantially complete and ready for its intended use. We capitalized interest costs of $3.6 million, $4.6 million and $2.8 million during the years ended December 31, 2014, 2013 and 2012, respectively.

(y) Income Taxes

Income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for their future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable earnings in the years in which those temporary differences are expected to be recovered or settled. A valuation allowance is recognized if it is more likely than not that some portion or the entire deferred tax asset will not be realized.

(z) Comprehensive Income

Total comprehensive income was equal to net income during the years ended December 31, 2014, 2013 and 2012.

(aa) Share-based Payment Arrangements

Compensation expense is recognized in the financial statements for share-based awards based on the grant date fair value of those awards. Share-based compensation expense includes an estimate for pre-vesting forfeitures and is recognized over the requisite service periods of the awards on a straight-line basis, which is generally commensurate with the vesting term.

We are required to report the benefits associated with tax deductions in excess of recognized compensation cost as a financing cash flow rather than as an operating cash flow.

(ab) Use of Estimates

The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to estimates and assumptions include the allowance for doubtful receivables, unbilled revenues, accrual of the USF high cost Remote area program support, share-based compensation, inventory at lower of cost or market, reserve for future customer credits, liability for incurred but not reported medical insurance claims, valuation allowances for deferred income tax assets, depreciable and amortizable lives of assets, the carrying value of long-lived assets including goodwill, cable certificates, wireless and broadcast licenses, our effective tax rate, purchase price allocations, deferred lease expense, asset retirement obligations, the accrual of Cost of Goods Sold, depreciation and the accrual of contingencies and litigation. Actual results could differ from those estimates.

The accounting estimates related to revenues from the USF high cost Remote area program are dependent on various inputs including our estimate of the Statewide Support Cap, our assessment of the impact of new FCC regulations, and the potential outcome of FCC proceedings. These inputs are subjective and based on our judgment regarding the outcome of certain variables and are subject to upward or downward adjustment in subsequent periods.

(ac) Concentrations of Credit Risk

Financial instruments that potentially subject us to concentrations of credit risk are primarily cash and cash equivalents and accounts receivable. Excess cash is invested in high quality short-term liquid money instruments. December 31, 2014, and 2013, substantially all of our cash and cash equivalents were invested in short-term liquid money instruments and the balances were in excess of Federal Deposit Insurance Corporation insured limits.

We have one major customer for the year ended December 31, 2014, see Note 10, “Industry Segment Data” of this Form 10-K. Our remaining customers are located primarily throughout Alaska. Because of this geographic concentration, our growth and operations depend upon economic conditions in Alaska.

(ad) Software Capitalization Policy

Internally used software, whether purchased or developed, is capitalized and amortized using the straight-line method over an estimated useful life of five years. We capitalize certain costs associated with internally developed software such as payroll costs of employees devoting time to the projects and external direct costs for materials and services. Costs associated with internally developed software to be used internally are expensed until the point the project has reached the development stage. Subsequent additions, modifications or upgrades to internal-use software are capitalized only to the extent that they allow the software to perform a task it previously did not perform. Software maintenance and training costs are expensed in the period in which they are incurred. The capitalization of software requires judgment in determining when a project has reached the development stage.

(ae) Guarantees

Certain of our customers have guaranteed levels of service. If an interruption in service occurs we do not recognize revenue for any portion of the monthly service fee that will be refunded to the customer or not billed to the customer due to these service level agreements.

Additionally, we have provided certain guarantees to U.S. Bancorp Community Development Corporation (“US Bancorp”), our tax credit investor in our four VIEs. We have guaranteed the delivery of $56.0 million of New Markets Tax Credits (“NMTC”) to US Bancorp, as well as certain loan and management fee payments between our subsidiaries and the VIEs, for which we are the primary beneficiary. In the event that the tax credits are not delivered or certain payments not made, we are obligated to provide prompt and complete payment of these obligations. Please refer to Note 12, Variable Interest Entities, of this Form 10-K, for more information about our NMTC transactions.

(af) Classification of Taxes Collected from Customers

We report sales, use, excise, and value added taxes assessed by a governmental authority that is directly imposed on a revenue-producing transaction between us and a customer on a net basis in our Consolidated Income Statements. The following are certain surcharges reported on a gross basis in our Consolidated Income Statements (amounts in thousands):

	Years Ended December 31,		
	2014	2013	2012
Surcharges reported gross	$ 4,252	4,644	5,401

(ag) Reclassifications

Reclassifications have been made to the prior years' consolidated financial states to conform to classifications used in the current year.

(2) Consolidated Statements of Cash Flows Supplemental Disclosures

Changes in operating assets and liabilities consist of (amounts in thousands):

Year ended December 31,	2014	2013	2012
(Increase) decrease in accounts receivable, net	$ 15,357	(68,360)	(9,386)
(Increase) decrease in prepaid expenses	(4,454)	672	(350)
(Increase) decrease in inventories	(6,631)	1,751	(4,576)
Decrease in other current assets	88	1,448	1,953
(Increase) decrease in other assets	(878)	(1,459)	1,236
Increase (decrease) in accounts payable	(4,648)	15,334	3,085
Increase in deferred revenues	1,728	2,368	3,215
Increase (decrease) in accrued payroll and payroll related obligations	2,997	10,263	(2,750)
Increase (decrease) in accrued liabilities	(242)	(883)	3,043
Increase (decrease) in accrued interest	(434)	302	106
Increase (decrease) in subscriber deposits	(114)	(40)	116
Decrease in long-term deferred revenue	(4,163)	(3,554)	(5,001)
Increase (decrease) in components of other long-term liabilities	1,714	(20)	(1,301)
Total change in operating assets and liabilities	$ 320	(42,178)	(10,610)

The following items are for the years ended December 31, 2014, 2013 and 2012 (amounts in thousands):

Net cash paid or received:	2014	2013	2012
Interest paid, net of amounts capitalized	$ 74,618	71,749	69,083

The following items are non-cash investing and financing activities for the years ended December 31, 2014, 2013 and 2012 (amounts in thousands):

	2014	2013	2012
Non-cash additions for purchases of property and equipment	$ 42,958	17,230	9,010
Capital lease obligation incurred	$ 9,386	—	—
Asset retirement obligation additions to property and equipment	$ 4,268	5,292	660
Accrued distribution to non-controlling interest	$ 4,167	4,167	—
Deferred compensation distribution denominated in shares	$ 617	621	511
Net assets acquired with equity in AWN (see Note 1(d))	$ —	267,642	—

(3) Receivables and Allowance for Doubtful Receivables

Receivables consist of the following at December 31, 2014 and 2013 (amounts in thousands):

	2014	2013
Trade	$ 209,811	225,689
Employee	801	1,037
Other	1,829	1,646
Total receivables	$ 212,441	228,372

As described in Note 1(u), Revenue Recognition, we receive support from each of the various USF programs: high cost, low income, rural health care, and schools and libraries. This support was 19%, 18%, and 18% of our revenue for the years ended December 31, 2014, 2013 and 2012, respectively. We had USF net receivables of $109.6 million and $124.3 million at December 31, 2014 and 2013, respectively.

Changes in the allowance for doubtful receivables during the years ended December 31, 2014, 2013 and 2012 are summarized below (amounts in thousands):

Description	Balance at beginning of year	Additions: Charged to costs and expenses	Additions: Charged to other accounts	Deductions: Write-offs net of recoveries	Balance at end of year
December 31, 2014	$ 2,346	3,994	—	1,798	4,542
December 31, 2013	$ 3,215	2,370	(446)	2,793	2,346
December 31, 2012	$ 5,796	3,649	(2,261)	3,969	3,215

In 2012 we received notice that a 2010 appeal of a decision impacting our Rural Health Care Division support was successful and received payment of $1.6 million. The original reserve was recorded by reducing revenue therefore we recognized revenue and reduced our allowance upon winning the appeal and this amount is included in Additions - Charged to other accounts, during the year ended December 31, 2012.

(4) Net Property and Equipment in Service

Net property and equipment in service consists of the following at December 31, 2014 and 2013 (amounts in thousands):

	2014	2013
Land and buildings	$ 100,038	69,984
Telephony transmission equipment and distribution facilities	1,189,470	1,085,963
Cable transmission equipment and distribution facilities	193,832	177,410
Studio equipment	14,396	12,680
Support equipment and systems	270,629	245,301
Transportation equipment	15,667	13,619
Customer premise equipment	153,039	149,372
Fiber optic cable systems	305,200	299,525
	2,242,271	2,053,854
Less accumulated depreciation	1,178,982	1,042,724
Less accumulated amortization	50,047	41,552
Net property and equipment in service	$ 1,013,242	969,578
Property and equipment under capital leases	$ 112,495	104,251

(5) Intangible Assets and Goodwill

As of October 31, 2014, cable certificates, wireless licenses, broadcast licenses and goodwill were tested for impairment and the fair values were greater than the carrying amounts, therefore these intangible assets were determined not to be impaired at December 31, 2014. The remaining useful lives of our cable certificates, wireless licenses, broadcast licenses and goodwill were evaluated as of October 31, 2014, and events and circumstances continue to support an indefinite useful life. There are no indicators of impairment of our intangible assets subject to amortization as of December 31, 2014.

Other Intangible Assets subject to amortization include the following at December 31, 2014 and 2013 (amounts in thousands):

	2014	2013
Software license fees	$ 52,683	41,804
Rights to use	48,283	55,407
Customer relationships	3,226	3,036
Right-of-way	783	783
	104,975	101,030
Less accumulated amortization	38,960	29,595
Net other intangible assets	$ 66,015	71,435

Under the terms of the Wireless Agreement, we acquired from ACS rights to use capacity on its network and the associated maintenance on this network capacity for 20 years.

Changes in Goodwill and Other Intangible Assets are as follows (amounts in thousands):

	Goodwill	Other Intangible Assets
Balance at December 31, 2012	$ 77,294	16,560
Goodwill addition from AWN acquisition - Wireless Segment	140,080	—
Goodwill addition from Denali Media acquisitions - Wireline Segment	1,667	—
Asset additions	—	61,919
Less amortization expense	—	7,044
Balance at December 31, 2013	219,041	71,435
AWN purchase price adjustment - Wireless Segment	8,866	(7,298)
Goodwill addition from acquisitions - Wireline Segment	1,653	—
Asset additions	—	11,593
Less amortization expense	—	9,715
Balance at December 31, 2014	$ 229,560	66,015

Amortization expense for amortizable intangible assets for the years ended December 31, 2014, 2013 and 2012 follow (amounts in thousands):

	Years Ended December 31,		
	2014	2013	2012
Amortization expense	$ 9,715	7,044	5,227

Amortized intangible assets are definite-life assets, and as such, we record amortization expense based on a method that most appropriately reflects our expected cash flows from these assets. Intangible assets that have finite useful lives are amortized over their useful lives using the straight-line method with a weighted-average life of 15.3 years.

Amortization expense for amortizable intangible assets for each of the five succeeding fiscal years is estimated to be (amounts in thousands):

Years Ending December 31,	
2015	$ 9,261
2016	$ 7,468
2017	$ 5,227
2018	$ 3,730
2019	$ 2,890

(6) Long-Term Debt

Long-term debt consists of the following at December 31, 2014 and 2013 (amounts in thousands):

	2014	2013
2021 Notes (a)	$ 325,000	325,000
2019 Notes (b)	425,000	425,000
Senior Credit Facility (c)	279,000	261,000
Wells Fargo note payable (d)	9,767	—
Rural Utilities Service ("RUS") debt (e)	29	39,425
Debt	1,038,796	1,050,425
Less unamortized discount paid on the 2019 Notes	2,118	2,445
Less current portion of long-term debt	622	2,836
Long-term debt, net	$ 1,036,056	1,045,144

(a) We pay interest of 6.75% on notes that are due in 2021 ("2021 Notes"). The 2021 Notes are senior unsecured obligations which rank equally in right of payment with our existing and future senior unsecured debt, including our 2019 Notes, and senior in right of payment to all future subordinated indebtedness.

The 2021 Notes are not redeemable prior to June 1, 2016. At any time on or after June 1, 2016, the 2021 Notes are redeemable at our option, in whole or in part, on not less than thirty nor more than sixty days' notice, at the following redemption prices (expressed as percentages of principal amount), plus accrued and unpaid interest (if any) to the date of redemption:

If redeemed during the twelve month period commencing June 1 of the year indicated:	Redemption Price
2016	103.375 %
2017	102.250 %
2018	101.125 %
2019 and thereafter	100.000 %

The 2021 Notes mature on June 1, 2021. Semi-annual interest payments are payable on June 1 and December 1.

The 2021 Notes were issued pursuant to an Indenture, dated as of May 20, 2011, between us and Union Bank, N.A., as trustee.

We are not required to make mandatory sinking fund payments with respect to the 2021 Notes.

Upon the occurrence of a change of control, each holder of the 2021 Notes will have the right to require us to purchase all or any part (equal to $1,000 or an integral multiple thereof, except that no 2021 Note will be purchased in part if the remaining portion thereof would not be at least $2,000) of such holder's 2021 Notes at a purchase price equal to 101% of the principal amount of such 2021 Notes, plus accrued and unpaid

interest on such 2021 Notes, if any. If we or certain of our subsidiaries engage in asset sales, we must generally either invest the net cash proceeds from such sales in our business within a period of time, prepay debt under any outstanding credit facility, or make an offer to purchase a principal amount of the 2021 Notes equal to the excess net cash proceeds, with the purchase price equal to 100% of their principal amount, plus accrued and unpaid interest, if any.

The terms of the Indenture include customary affirmative and negative covenants and customary events of default. At any time after the occurrence and during the continuation of an event of default under the Indenture, the trustee or holders of not less than 25% in aggregate principal amount of the 2021 Notes may, among other options, declare the 2021 Notes immediately due and payable.

We paid closing costs totaling $3.6 million in connection with the offering, which were recorded as deferred loan costs and are being amortized over the term of the 2021 Notes.

We were in compliance with all 2021 Notes loan covenants at December 31, 2014.

(b) We pay interest of 8.63% on notes that are due in 2019 ("2019 Notes"). The 2019 Notes are senior unsecured obligations which rank equally in right of payment with the existing and future senior unsecured debt, including our 2021 Notes described previously, and senior in right of payment to all future subordinated indebtedness. The 2019 Notes are carried on our Consolidated Balance Sheets net of the unamortized portion of the discount, which is being amortized to Interest Expense over the term of the 2019 Notes using the effective interest method and an effective interest rate of 9.09%.

The 2019 Notes are redeemable at our option, in whole or in part, on not less than thirty days nor more than sixty days notice, at the following redemption prices (expressed as percentages of principle amount), plus accrued and unpaid interest (if any) to the date of redemption:

If redeemed during the twelve month period commencing November 15 of the year indicated:	Redemption Price
2014	104.313 %
2015	103.000 %
2016	101.438 %
2017 and thereafter	100.000 %

The 2019 Notes mature on November 15, 2019. Semi-annual interest payments are payable on May 15 and November 15 of each year.

The 2019 Notes were issued pursuant to an Indenture, dated as of November 3, 2009, between us and Union Bank, N.A., as trustee.

We are not required to make mandatory sinking fund payments with respect to the 2019 Notes.

Upon the occurrence of a change of control, each holder of the 2019 Notes will have the right to require us to purchase all or any part (equal to $1,000 or an integral multiple thereof, except that no 2019 Note will be purchased in part if the remaining portion thereof would not be at least $2,000) of such holder's 2019 Notes at a purchase price equal to 101% of the principal amount of such 2019 Notes, plus accrued and unpaid interest on such 2019 Notes, if any. If we or certain of our subsidiaries engage in asset sales, we must generally either invest the net cash proceeds from such sales in our business within a period of time, prepay debt under any outstanding credit facility, or make an offer to purchase a principal amount of the 2019 Notes equal to the excess net cash proceeds, with the purchase price equal to 100% of their principal amount, plus accrued and unpaid interest, if any.

The terms of the Indenture include customary affirmative and negative covenants and customary events of default. At any time after the occurrence and during the continuation of an event of default under the Indenture, the trustee or holders of not less than 25% in aggregate principal amount of the 2019 Notes may, among other options, declare the 2019 Notes immediately due and payable.

We paid closing costs totaling $9.4 million in connection with the offering, which were recorded as deferred loan costs and are being amortized over the term of the 2019 Notes.

We were in compliance with all 2019 Notes loan covenants at December 31, 2014.

(c) GCI Holdings, Inc. ("GCI Holdings"), a wholly owned subsidiary of GCI, has a credit facility with Credit Agricole Corporate and Investment Bank, as administrative agent ("Senior Credit Facility"). The Senior Credit Facility provides up to $240.0 million in delayed draw term loans and a $150.0 million revolving credit facility.

The interest rate on our Senior Credit Facility is London Interbank Offered Rate (“LIBOR”) plus the following Applicable Margin set forth opposite each applicable Total Leverage Ratio below.

Total Leverage Ratio (as defined)	Applicable Margin
>=5.5	3.00%
>=5.0 but <5.5	2.75%
>=4.5 but <5.0	2.50%
>=4.0 but <4.5	2.25%
<4.0	2.00%

Borrowings under the Senior Credit Facility are subject to certain financial covenants and restrictions on indebtedness. Our Senior Credit Facility Total Leverage Ratio (as defined) may not exceed 5.95 to one; the Senior Leverage Ratio (as defined) may not exceed 3.00 to one; and our Interest Coverage Ratio (as defined) must not be less than 2.50 to one at any time.

The terms of the Senior Credit Facility include customary representations and warranties, customary affirmative and negative covenants and customary events of default. At any time after the occurrence of an event of default under the Senior Credit Facility, the lenders may, among other options, declare any amounts outstanding under the Senior Credit Facility immediately due and payable and terminate any commitment to make further loans under the Senior Credit Facility. The obligations under the Senior Credit Facility are secured by a security interest on substantially all of the assets of GCI Holdings, Inc. and the subsidiary guarantors, as defined in the Senior Credit Facility, and on the stock of GCI Holdings, Inc.

On April 30, 2013, we modified our then existing Senior Credit Facility resulting in a $0.1 million write-off of previously deferred loan fees on our Consolidated Income Statement for the year ended December 31, 2013. Net deferred loan fees of $0.7 million associated with the portion of our previous Senior Credit Facility that was determined not to have been substantially modified are being amortized over the life of the Senior Credit Facility.

In connection with the current Senior Credit Facility, we paid loan fees and other expenses of $0.4 million that were expensed immediately on our Consolidated Income Statement for the year ended December 31, 2013 and $3.0 million that were deferred and are being amortized over the life of the Senior Credit Facility.

We have borrowed $240.0 million under the delayed draw term loan, $39.0 million under the revolving portion and have $22.5 million of letters of credit outstanding under the Senior Credit Facility at December 31, 2014, which leaves $88.5 million available for borrowing as of December 31, 2014.

(d) GCI Holdings, entered into a $10.0 million loan agreement with Wells Fargo Bank on June 30, 2014 to finance the purchase of a building. The note matures on July 15, 2029 and is due in monthly installments of principal and interest. The interest rate is variable at one month LIBOR plus 2.25%.

The note is subject to similar affirmative and negative covenants as our Senior Credit Facility. The obligations under the note are secured by a security interest and lien on the purchased building. In connection with the note issuance, we paid loan fees of $0.1 million that were deferred and are being amortized over the life of the note.

(e) UUI, our wholly owned subsidiary, has entered into various loans with the RUS. The long-term debt was due in monthly installments of principal based on a fixed rate amortization schedule. The interest rates on the various loans to which this debt relates ranged from 2.4% to 4.5%. Substantially all of the assets of UUI were pledged as collateral for the amounts due to RUS. We repaid substantially all amounts owed to the RUS in 2014.

Maturities of long-term debt as of December 31, 2014 are as follows (amounts in thousands):

Years ending December 31,	
2015	$ 622
2016	604
2017	619
2018	279,635
2019	425,651
2020 and thereafter	331,665
Total debt	1,038,796
Less unamortized discount paid on 2019 Notes	2,118
Less current portion of long-term debt	622
Long-term debt, net	$ 1,036,056

(7) Income Taxes

Total income tax expense of $10.0 million, $11.0 million and $12.1 million for the years ended December 31, 2014, 2013 and 2012, respectively, was allocated to income in each year. Income tax expense consists of the following (amounts in thousands):

	Years Ended December 31,		
	2014	2013	2012
Deferred tax expense:			
Federal taxes	$ 9,081	9,267	10,318
State taxes	948	1,690	1,770
	$ 10,029	10,957	12,088

Total income tax expense differed from the “expected” income tax expense determined by applying the statutory federal income tax rate of 35% as follows (amounts in thousands):

	Years Ended December 31,		
	2014	2013	2012
“Expected” statutory tax expense	$ 24,246	14,939	7,437
Impact of non-controlling interest attributable to non-tax paying entity	(18,255)	(7,977)	—
State income taxes, net of federal expense	948	1,690	1,770
Income tax effect of nondeductible entertainment expenses	1,125	1,045	777
Income tax effect of nondeductible lobbying expenses	425	369	298
Income tax effect of nondeductible officer compensation	1,351	824	1,718
Other, net	189	67	88
	$ 10,029	10,957	12,088

The tax effects of temporary differences that give rise to significant portions of deferred tax assets and liabilities at December 31, 2014 and 2013 are summarized below (amounts in thousands):

	2014	2013
Current deferred tax assets, net of current deferred tax liability:		
Net operating loss carryforwards	$ 44,250	30,344
Compensated absences, accrued for financial reporting purposes	3,117	2,956
Workers compensation and self-insurance health reserves, principally due to accrual for financial reporting purposes	2,043	1,688
Accounts receivable, principally due to allowance for doubtful receivables	2,585	1,154
Deferred revenue for financial reporting purposes	2,525	2,673
Other	1,600	938
Total current deferred tax assets	$ 56,120	39,753
Long-term deferred tax assets:		
Net operating loss carryforwards	$ 87,688	90,589
Deferred revenue for financial reporting purposes	33,552	35,506
Alternative minimum tax credits	1,735	1,895
Deferred compensation expense for tax purposes in excess of amounts recognized for financial reporting purposes	1,374	2,556
Asset retirement obligations in excess of amounts recognized for tax purposes	6,660	4,930
Share-based compensation expense for financial reporting purposes in excess of amounts recognized for tax purposes	1,458	1,860
Other	4,266	4,335
Total long-term deferred tax assets	136,733	141,671
Long-term deferred tax liabilities:		
Plant and equipment, principally due to differences in depreciation	231,109	212,719
Intangible assets	48,768	49,761
Flow-through entity deferred tax items	44,728	40,667
Total long-term deferred tax liabilities	324,605	303,147
Net long-term deferred tax liabilities	$ 187,872	161,476

At December 31, 2014, we have tax net operating loss carryforwards of $320.3 million that will begin expiring in 2020 if not utilized, and alternative minimum tax credit carryforwards of $1.7 million available to offset regular income taxes payable in future years. Our utilization of remaining acquired net operating loss carryforwards is subject to annual limitations pursuant to Internal Revenue Code section 382 which could reduce or defer the utilization of these losses.

Our tax net operating loss carryforwards are summarized below by year of expiration (amounts in thousands):

Years ending December 31,	Federal	State
2020	$ 34,958	34,301
2021	29,614	28,987
2022	14,081	13,788
2023	3,968	3,903
2024	722	—
2025	737	—
2026	150	—
2027	1,010	—
2028	39,879	39,715
2029	48,370	47,558
2031	110,933	109,376
2033	5,031	4,927
2034	30,797	29,946
Total tax net operating loss carryforwards	$ 320,250	312,501

Tax benefits associated with recorded deferred tax assets are considered to be more likely than not realizable through taxable income earned in carryback years, future reversals of existing taxable temporary differences, and future taxable income exclusive of reversing temporary differences and carryforwards. The amount of deferred tax assets considered realizable, however, could be reduced if estimates of future taxable income during the carryforward period are reduced.

We file federal income tax returns in the U.S. and in various state jurisdictions. We are not subject to U.S. or state tax examinations by tax authorities for years 2010 and earlier except that certain U.S. federal income tax returns for years after 1998 are not closed by relevant statutes of limitations due to unused net operating losses reported on those income tax returns.

We recognize accrued interest on unrecognized tax benefits in interest expense and penalties in selling, general and administrative expenses. We did not have any unrecognized tax benefits as of December 31, 2014, 2013 and 2012, and accordingly, we did not recognize any interest expense. Additionally, we recorded no penalties during the years ended December 31, 2014, 2013 and 2012.

We did not record any excess tax benefit generated from stock options exercised during the years ended December 31, 2014, 2013 and 2012, since we are in a net operating loss carryforward position and the income tax deduction will not yet reduce income taxes payable. The cumulative excess tax benefits generated for stock options exercised that have not been recognized is $3.5 million at December 31, 2014.

(8) Financial Instruments

Fair Value of Financial Instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties. At December 31, 2014 and 2013, the fair values of cash and cash equivalents, net receivables, inventories, accounts payable, accrued payroll and payroll related obligations, accrued interest, accrued liabilities, and subscriber deposits approximate their carrying value due to the short-term nature of these financial instruments. The carrying amounts and approximate fair values of our financial instruments at December 31, 2014 and 2013 follow (amounts in thousands):

	December 31, 2014		December 31, 2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Current and long-term debt	$ 1,036,678	1,055,952	1,047,980	1,058,431

The following methods and assumptions were used to estimate fair values:

Current and long-term debt: The fair values of the 2021 Notes and the 2019 Notes are based upon quoted market prices for the same or similar issues (Level 2). The fair value of our RUS debt is based on the current rates offered to us for the same remaining maturities (Level 3). The fair value of our Senior Credit Facility and Wells Fargo note payable are estimated to approximate their carrying value because the instruments are subject to variable interest rates (Level 2).

Fair Value Measurements

Assets measured at fair value on a recurring basis as of December 31, 2014 and 2013 are as follows (amounts in thousands):

	Fair Value Measurement at Reporting Date Using		
December 31, 2014 Assets	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Deferred compensation plan assets (mutual funds)	$ 2,068	—	—
Total assets at fair value	$ 2,068	—	—
December 31, 2013 Assets			
Deferred compensation plan assets (mutual funds)	$ 2,183	—	—
Total assets at fair value	$ 2,183	—	—

The valuation of our mutual funds is determined using quoted market prices in active markets utilizing market observable inputs.

(9) Stockholders' Equity

Common Stock

GCI's Class A and Class B common stock are identical in all respects, except that each share of Class A common stock has one vote per share and each share of Class B common stock has ten votes per share. Each share of Class B common stock outstanding is convertible, at the option of the holder, into one share of Class A common stock.

During the years ended December 31, 2014, 2013 and 2012, we repurchased 0.4 million, 1.8 million and 1.5 million shares, respectively, of our Class A common stock at a cost of $4.2 million, $15.6 million and $14.0 million, respectively, pursuant to the Class A and Class B common stock repurchase program authorized by

GCI's Board of Directors. During the years ended December 31, 2014, 2013 and 2012, we retired 0.6 million, 2.0 million and 1.8 million shares, respectively, of our Class A common stock.

Shared-Based Compensation

Our Amended and Restated 1986 Stock Option Plan ("Stock Option Plan"), provides for the grant of options and restricted stock awards (collectively "award") for a maximum of 15.7 million shares of GCI Class A common stock, subject to adjustment upon the occurrence of stock dividends, stock splits, mergers, consolidations or certain other changes in corporate structure or capitalization. If an award expires or terminates, the shares subject to the award will be available for further grants of awards under the Stock Option Plan. The Compensation Committee of GCI's Board of Directors administers the Stock Option Plan. Substantially all restricted stock awards granted vest over periods of up to three years. Substantially all options vest in equal installments over a period of five years and expire ten years from the date of grant. The requisite service period of our awards is generally the same as the vesting period. Options granted pursuant to the Stock Option Plan are only exercisable if at the time of exercise the option holder is our employee, non-employee director, or a consultant or advisor working on our behalf. New shares are issued when stock option agreements are exercised or restricted stock awards are granted. We have 2.4 million shares available for grant under the Stock Option Plan at December 31, 2014.

The fair value of restricted stock awards is determined based on the number of shares granted and the quoted price of our common stock. We estimate pre-vesting option forfeitures at the time of grant and periodically revise those estimates in subsequent periods if actual forfeitures differ from those estimates. We record share-based compensation expense only for those awards expected to vest using an estimated forfeiture rate based on our historical pre-vesting forfeiture data. We review our forfeiture estimates annually and adjust our share-based compensation expense in the period our estimate changes.

A summary of option activity under the Stock Option Plan as of December 31, 2014 and changes during the year then ended is presented below:

	Shares (in thousands)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value (in thousands)
Outstanding at January 1, 2014	620	$ 7.74		
Exercised	(50)	$ 9.09		
Forfeited	(250)	$ 8.40		
Expired	(12)	$ 10.69		
Outstanding at December 31, 2014	308	$ 6.86	4.1 years	$ 2,125
Exercisable at December 31, 2014	305	$ 6.88	4.1 years	$ 2,097

The total fair value of options vesting during the years ended December 31, 2014, 2013 and 2012, was $50,000, $78,000 and $560,000, respectively. The total intrinsic values, determined as of the date of exercise, of options exercised in the years ended December 31, 2014, 2013 and 2012, were $0.1 million, $0.2 million and $1.3 million, respectively. We received $0.5 million, $0.6 million and $2.1 million in cash from stock option exercises in the years ended December 31, 2014, 2013 and 2012, respectively.

A summary of nonvested restricted stock award activity under the Stock Option Plan for the year ended December 31, 2014, follows (share amounts in thousands):

	Shares	Weighted Average Grant Date Fair Value
Nonvested at January 1, 2014	1,209	$ 8.60
Granted	1,267	$ 10.04
Vested	(711)	$ 9.89
Forfeited	(21)	$ 9.05
Nonvested at December 31, 2014	1,744	$ 9.11

The weighted average grant date fair value of awards granted during the years ended December 31, 2014, 2013 and 2012, were $10.04, $8.30 and $9.23, respectively. We have recorded share-based compensation expense of $8.4 million, $6.6 million and $5.0 million for the years ended December 31, 2014, 2013 and 2012, respectively. Share-based compensation expense is classified as Selling, General and Administrative Expense in our Consolidated Income Statements. Unrecognized share-based compensation expense was $9.6 million relating to 1.7 million restricted stock awards. We expect to recognize share-based compensation expense over a weighted average period of 0.1 years for stock options and 2.1 years for restricted stock awards.

GCI 401(k) Plan

In 1986, we adopted an Employee Stock Purchase Plan ("GCI 401(k) Plan") qualified under Section 401 of the Internal Revenue Code of 1986. The GCI 401(k) Plan provides for acquisition of GCI's Class A common stock at market value as well as various mutual funds. We may match a percentage of the employees' contributions up to certain limits, decided by GCI's Board of Directors each year. Our matching contributions allocated to participant accounts totaled $9.1 million, $8.2 million and $7.5 million for the years ended December 31, 2014, 2013 and 2012, respectively. We used cash to fund all of our employer-matching contributions during the years ended December 31, 2014, 2013 and 2012.

(10) Industry Segments

Data

We have two reportable segments, Wireless and Wireline. The Wireless segment's revenue is derived from wholesale wireless services. The Wireline segment's revenue includes all of our other revenue, specifically a full range of retail wireless, data, video and voice services to residential customers, businesses, governmental entities and educational institutions; wholesale data and voice services to common carrier customers; Internet, data network and managed services to rural schools and health organizations and regulated voice services to residential and commercial customers in rural communities primarily in Southwest Alaska.

Wireless plan fee and usage revenues from external customers are allocated between our Wireless and Wireline segments. The Wireless segment recorded subsidies to the Wireline segment related to wireless equipment sales based upon equipment sales and agreed-upon subsidy rates through the AWN transaction close on July 23, 2013. Subsequent to the transaction close and through March 31, 2014, although permitted, the Wireline segment was unable to meet the requirements in order to request a wireless equipment subsidy from the Wireless segment in accordance with the AWN agreements. These subsidies, which eliminate in consolidation, increase the Wireline segment earnings before depreciation and amortization expense, net interest expense, income taxes, share-based compensation expense, accretion expense, income or loss attributable to non-controlling interest and non-cash contribution adjustment ("Adjusted EBITDA") and reduce the Wireless segment Adjusted EBITDA. The wireless equipment subsidy recorded by the Wireless segment was $17.3 million, $12.2 million, and $23.2 million for the years ended December 31, 2014, 2013, and 2012, respectively. Selling, general and administrative expenses are charged to the Wireless segment based upon a shared services agreement. The remaining selling, general and administrative expenses are charged to the Wireline segment. Intercompany transactions have been pushed down to the segment level.

We evaluate performance and allocate resources based on Adjusted EBITDA. Management believes that this measure is useful to investors and other users of our financial information in evaluating operating profitability as an analytical indicator of income generated to service debt and fund capital expenditures. In addition, multiples of current or projected earnings before depreciation and amortization, net interest expense, and income taxes

("EBITDA") are used to estimate current or prospective enterprise value. The accounting policies of the reportable segments are the same as those described in Note 1, "Business and Summary of Significant Accounting Policies" of this Form 10-K. We have no intersegment sales.

We earn all revenues through sales of services and products within the United States. All of our long-lived assets are located within the United States of America, except approximately 82% of our undersea fiber optic cable systems which transit international waters and all of our satellite transponders.

Summarized financial information for our reportable segments for the years ended December 31, 2014, 2013 and 2012 follows (amounts in thousands):

	Wireless	Wireline	Total Reportable Segments
2014			
Revenues			
Wholesale	$ 269,977	—	269,977
Consumer	—	288,014	288,014
Business Services	—	225,963	225,963
Managed Broadband	—	126,244	126,244
Total	269,977	640,221	910,198
Cost of Goods Sold	90,920	211,784	302,704
Contribution	179,057	428,437	607,494
Less SG&A	21,631	272,016	293,647
Plus share-based compensation expense	—	8,392	8,392
Plus accretion expense	733	516	1,249
Other	—	(372)	(372)
Adjusted EBITDA	$ 158,159	164,957	323,116
Capital expenditures	$ 30,243	145,866	176,109
Goodwill	$ 164,312	65,248	229,560
Total assets	$ 625,417	1,433,081	2,058,498

	Wireless	Wireline	Total Reportable Segments
2013			
Revenues			
Wholesale	$ 197,218	—	197,218
Consumer	—	274,805	274,805
Business Services	—	222,814	222,814
Managed Broadband	—	116,811	116,811
Total	197,218	614,430	811,648
Cost of Good Sold	68,086	212,376	280,462
Contribution	129,132	402,054	531,186
Less SG&A	20,030	251,035	271,065
Plus share-based compensation expense	—	6,638	6,638
Plus accretion expense	507	(430)	77
Other expense	—	447	447
Adjusted EBITDA	$ 109,609	157,674	267,283
Capital expenditures	$ 28,156	152,398	180,554
Goodwill	$ 155,445	63,596	219,041
Total assets	$ 624,740	1,387,067	2,011,807
2012			
Revenues			
Wholesale	$ 124,745	—	124,745
Consumer	—	269,357	269,357
Business Services	—	207,892	207,892
Managed Broadband	—	108,187	108,187
Total	124,745	585,436	710,181
Cost of Good Sold	58,737	188,764	247,501
Contribution	66,008	396,672	462,680
Less SG&A	15,475	227,773	243,248
Plus share-based compensation expense	—	5,040	5,040
Plus non-cash contribution expense	—	960	960
Plus accretion expense	269	239	508
Other expense	—	869	869
Adjusted EBITDA	$ 50,802	176,007	226,809

Effective January 1, 2013, we refocused our business and determined that we have two reportable segments, Wireless and Wireline. Due to our segment change in 2013, capital expenditures and total assets by segment for 2012 are not reported as it is impracticable to allocate our historical balance sheets.

A reconciliation of reportable segment Adjusted EBITDA to consolidated income before income taxes follows (amounts in thousands):

Years Ended December 31,	2014	2013	2012
Reportable segment Adjusted EBITDA	$ 323,116	267,283	226,809
Less depreciation and amortization expense	(170,285)	(147,259)	(130,452)
Less share-based compensation expense	(8,392)	(6,638)	(5,040)
Less non-cash contribution expense	—	—	(960)
Less accretion expense	(1,249)	(77)	(508)
Other	372	(447)	(869)
Consolidated operating income	143,562	112,862	88,980
Less other expense, net	(74,289)	(70,178)	(67,730)
Consolidated income before income tax expense	$ 69,273	42,684	21,250

We earn revenues included in both the Wireless and Wireline segment from a major customer. We earned revenues from our major customer, net of discounts, of $108.3 million or 12% of total consolidated revenues for the year ended December 31, 2014. We had no major customers for the years ended December 31, 2013 and 2012.

(11) Related Party Transactions

We entered into a long-term capital lease agreement in 1991 with the wife of GCI's President and CEO for property occupied by us. The leased asset was capitalized in 1991 at the owner's cost of $900,000 and the related obligation was recorded. The lease agreement was amended in April 2008 and our existing capital lease asset and liability increased by $1.3 million to record the extension of this capital lease. The amended lease terminates on September 30, 2026.

In January 2001 we entered into an aircraft operating lease agreement with a company owned by GCI's President and CEO. The lease was amended several times, most recently in May 2011. The lease term of the aircraft may be terminated at any time by us upon 12 months' written notice. The monthly lease rate of the aircraft is $132,000. In 2001, we paid a deposit of $1.5 million in connection with the lease. The deposit will be repaid to us no later than six months after the agreement terminates.

Upon closing of the AWN acquisition on July 22, 2013, ACS became a related party for financial statement reporting purposes. ACS provides us with local service lines and network capacity in locations where we do not have our own facilities. We provide wholesale services to ACS who uses our network to sell services to its respective retail customers and we receive ACS' high cost support from USF for its wireless customers. Additionally, we paid preferential cash distributions to ACS for its one-third ownership interest in AWN (see Note 1(d) for additional information). For the year ended December 31, 2014 and the period from the AWN acquisition date, July 23, 2013, to December 31, 2013, we paid ACS $62.9 million and $25.1 million, respectively. For the year ended December 31, 2014 and the period from the AWN acquisition date, July 23, 2013, to December 31, 2013, we received $50.9 million and $23.9 million, respectively, in payments from ACS. At December 31, 2014 we have $27.9 million in receivables from ACS and $7.4 million in payables to ACS. We also have long term capacity exchange agreements with ACS for which no money is exchanged.

(12) Variable Interest Entities

We have entered into several arrangements under the NMTC program with US Bancorp to help fund a $59.3 million project to extend terrestrial broadband service for the first time to rural Northwestern Alaska communities via a high capacity hybrid fiber optic and microwave network. When completed, the project, called TERRA-Northwest ("TERRA-NW"), will connect to the TERRA-Southwest ("TERRA-SW") network and provide a high capacity backbone connection from the served communities to the Internet. The NMTC program was provided for in the Community Renewal Tax Relief Act of 2000 (the "Act") to induce capital investment in qualified lower income communities. The Act permits taxpayers to claim credits against their federal income taxes for up to 39% of qualified investments in the equity of community development entities ("CDEs"). CDEs are privately managed investment institutions that are certified to make qualified low-income community investments.

On August 30, 2011, we entered into the first arrangement ("NMTC #1"). In connection with the NMTC #1 transaction we loaned $58.3 million to TIF, a special purpose entity created to effect the financing arrangement, at 1% interest due August 30, 2041. Simultaneously, US Bancorp invested $22.4 million in TIF. TIF then contributed US Bancorp's contribution and the loan proceeds to certain CDEs. The CDEs, in turn, loaned the $76.8 million in funds less payment of placement fees, at interest rates varying from 1% to 3.96%, to Unicom, as partial financing for TERRA-NW.

On October 3, 2012, we entered into the second arrangement ("NMTC #2"). In connection with the NMTC #2 transaction we loaned $37.7 million to TIF 2 and TIF 2-USB, special purpose entities created to effect the financing arrangement, at 1% interest due October 2, 2042. Simultaneously, US Bancorp invested $17.5 million in TIF 2 and TIF 2-USB. TIF 2 and TIF 2-USB then contributed US Bancorp's contributions and the loan proceeds to certain CDEs. The CDEs, in turn, loaned the $55.2 million in funds less payment of placement fees, at interest rates varying from 0.7099% to 0.7693%, to Unicom, as partial financing for TERRA-NW.

On December 11, 2012, we entered into the third arrangement ("NMTC #3"). In connection with the NMTC #3 transaction we loaned $8.2 million to TIF 3, a special purpose entity created to effect the financing arrangement, at 1% interest due December 10, 2042. Simultaneously, US Bancorp invested $3.8 million in TIF 3. TIF 3 then contributed US Bancorp's contributions and the loan proceeds to a CDE. The CDE, in turn, loaned the $12.0 million in funds less payment of placement fees, at an interest rate of 1.35%, to Unicom, as partial financing for TERRA-NW.

US Bancorp is the sole investor in TIF, TIF 2, TIF 2-USB and TIF 3, and as such, is entitled to substantially all of the benefits derived from the NMTCs. All of the loan proceeds to Unicom, net of syndication and arrangement fees, are restricted for use on TERRA-NW. Restricted cash of $1.1 million and $6.9 million was held by Unicom at December 31, 2014 and 2013, respectively, and is included in our Consolidated Balance Sheets. We completed construction of TERRA-NW and placed the final phase into service in late 2014.

These transactions include put/call provisions whereby we may be obligated or entitled to repurchase US Bancorp's interests in TIF, TIF 2, TIF 2-USB and/or TIF 3. We believe that US Bancorp will exercise the put options in August 2018, October 2019 and December 2019, at the end of the compliance periods for NMTC #1, NMTC #2 and NMTC #3, respectively. The NMTCs are subject to 100% recapture for a period of seven years as provided in the Internal Revenue Code. We are required to be in compliance with various regulations and contractual provisions that apply to the NMTC arrangements. Non-compliance with applicable requirements could result in projected tax benefits not being realized by US Bancorp. We have agreed to indemnify US Bancorp for any loss or recapture of NMTCs until such time as our obligation to deliver tax benefits is relieved. There have been no credit recaptures as of December 31, 2014. The value attributed to the put/calls is nominal.

We have determined that TIF, TIF 2, TIF 2-USB and TIF 3 are VIEs. The consolidated financial statements of TIF, TIF 2, TIF 2-USB and TIF 3 include the CDEs discussed above. The ongoing activities of the VIEs – collecting and remitting interest and fees and NMTC compliance – were all considered in the initial design and are not expected to significantly affect economic performance throughout the life of the VIEs. Management considered the contractual arrangements that obligate us to deliver tax benefits and provide various other guarantees to US Bancorp; US Bancorp's lack of a material interest in the underlying economics of the project; and the fact that we are obligated to absorb losses of the VIEs. We concluded that we are the primary beneficiary of each and consolidated the VIEs in accordance with the accounting standard for consolidation.

US Bancorp's contributions, net of syndication fees and other direct costs incurred in structuring the NMTC arrangements, are included in Non-controlling Interests on the Consolidated Balance Sheets. Incremental costs to maintain the structure during the compliance period are recognized as incurred to selling, general and administrative expense.

The assets and liabilities of our consolidated VIEs were $140.9 million and $104.2 million, respectively, as of December 31, 2014 and 2013.

The assets of the VIEs serve as the sole source of repayment for the debt issued by these entities. US Bank does not have recourse to us or our other assets, with the exception of customary representations and indemnities we have provided. We are not required and do not currently intend to provide additional financial support to these VIEs. While these subsidiaries are included in our consolidated financial statements, these subsidiaries are separate legal entities and their assets are legally owned by them and not available to our creditors.

(13) Commitments and Contingencies

Operating Leases as Lessee

We lease business offices, have entered into site lease agreements and use satellite transponder and fiber capacity and certain equipment pursuant to operating lease arrangements. Many of our leases are for multiple years and contain renewal options. Rental costs under such arrangements amounted to $43.8 million, $46.5 million and $37.4 million for the years ended December 31, 2014, 2013 and 2012, respectively.

Capital Leases as Lessee

We entered into a long-term capital lease agreement in 1991 with the wife of GCI's President and CEO for property occupied by us as further described in Note 11, Related Party Transactions.

We have a capital lease agreement for transponder capacity on Intelsat, Ltd.'s ("Intelsat") Galaxy 18 spacecraft. The Intelsat Galaxy 18 C-band and Ku-Band transponders are being leased over an expected term of 14 years. At lease inception the present value of the lease payments, excluding telemetry, tracking and command services and back-up protection, was $98.6 million. We amended our transponder capacity lease agreement with Intelsat in October 2013 to lease additional transponder capacity on Intelsat's Galaxy 18 spacecraft. As a result, on January 1, 2014 we increased our existing capital lease asset and liability by $9.4 million.

A summary of future minimum lease payments follows (amounts in thousands):

Years ending December 31:	Operating	Capital
2015	$ 38,830	13,444
2016	34,892	13,454
2017	26,772	13,433
2018	22,666	13,440
2019	20,157	13,450
2020 and thereafter	63,809	33,208
Total minimum lease payments	$ 207,126	100,429
Less amount representing interest		23,973
Less current maturity of obligations under capital leases		8,100
Long-term obligations under capital leases, excluding current maturity		$ 68,356

The leases generally provide that we pay the taxes, insurance and maintenance expenses related to the leased assets. Several of our leases include renewal options, escalation clauses and immaterial amounts of contingent rent expense. We expect that in the normal course of business leases that expire will be renewed or replaced by leases on other properties.

Guaranteed Service Levels

Certain customers have guaranteed levels of service with varying terms. In the event we are unable to provide the minimum service levels we may incur penalties or issue credits to customers.

Self-Insurance
Through December 31, 2014, we were self-insured for losses and liabilities related to health and welfare claims up to $500,000 per incident per year above which third party insurance applied. A reserve of $4.0 million and $3.1 million was recorded at December 31, 2014 and 2013, respectively, to cover estimated reported losses, estimated unreported losses based on past experience modified for current trends, and estimated expenses for settling claims. We are self-insured for all losses and liabilities related to workers' compensation claims in Alaska and have a workers compensation excess insurance policy to make claims for any losses in excess of $500,000 per incident. A reserve of $3.8 million and $3.7 million was recorded at December 31, 2014 and 2013, respectively, to cover estimated reported losses and estimated expenses for open and active claims. Actual losses will vary from the recorded reserves. While we use what we believe are pertinent information and factors in determining the amount of reserves, future additions to the reserves may be necessary due to changes in the information and factors used.

We are self-insured for damage or loss to certain of our transmission facilities, including our buried, undersea, and above-ground transmission lines. If we become subject to substantial uninsured liabilities due to damage or loss to such facilities, our financial position, results of operations or liquidity may be adversely affected.

Litigation, Disputes, and Regulatory Matters
We are involved in various lawsuits, billing disputes, legal proceedings, and regulatory matters that have arisen from time to time in the normal course of business. Management believes there are no proceedings from asserted and unasserted claims which if determined adversely would have a material adverse effect on our financial position, results of operations or liquidity.

Universal Service
As an ETC, we receive support from the USF for the provision of wireline local access and wireless service in high cost areas. In November 2011, the FCC published a final rule that segregated the support methodology for Remote and Urban areas in Alaska as further described in Note 1(u). For both Remote and Urban high cost support revenue, our ability to collect our accrued USF support is contingent upon continuation of the USF program and upon our eligibility to participate in that program, which are subject to change by future regulatory, legislative or judicial actions. We adjust revenue and the account receivable in the period the FCC makes a program change or we assess the likelihood that such a change has increased or decreased revenue. Our revenue for providing local and wireless services in these areas would be materially adversely affected by a substantial reduction of USF support.

Cable Service Rate Reregulation
Federal law permits regulation of basic cable programming services rates. However, Alaska law provides that cable television service is exempt from regulation by the RCA unless 25% of a system's subscribers request such regulation by filing a petition with the RCA. At December 31, 2014, only the Juneau system is subject to RCA regulation of its basic service rates. No petition requesting regulation has been filed for any other system. The Juneau system serves 6% of our total basic service subscribers at December 31, 2014.

Tribal Mobility Fund I Grant
In February 2014, the FCC announced our winning bids in the Tribal Mobility Fund I auction for a $41.4 million grant to partially fund expansion of our 3G wireless network, or better, to locations in Alaska where we would not otherwise be able to construct within our return-on-investment requirements. We filed a long-form application with the FCC by their deadline and this form was approved in October 2014. We expect to receive one-third of the grant funds in the first half of 2015 and between $6.0 and $16.0 million in additional grant fund disbursements in 2015, depending on upgrades completed and test results submitted to and approved by the FCC.

(14) Selected Quarterly Financial Data
(Unaudited)

During the fourth quarter of 2014, we identified an immaterial error in the calculation of our estimated effective tax rate that impacted each of the previously reported quarters of 2014. The error had no effect on previously reported Adjusted EBITDA or cash flows. In order to assess materiality of this error we considered SAB 99, “Materiality” and SAB 108, “Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements,” and determined that the impact of this error on prior period consolidated financial statements was immaterial. As provided by SAB 108, the portion of the immaterial error will not require the previously filed quarterly reports on Form 10-Q to be amended and the correction is permitted to be made the next time we file our prior period financial statements.

The following is a summary of unaudited quarterly results of operations for the years ended December 31, 2014 and 2013 including the impact of the immaterial error correction adjustments discussed above (amounts in thousands, except per share amounts):

	As of March 31, 2014			As of June 30, 2014			As of September 30, 2014		
	Previously reported	Correction	As adjusted	Previously reported	Correction	As adjusted	Previously reported	Correction	As adjusted
Deferred income tax liability	$ 158,104	981	159,085	166,665	3,209	169,874	160,799	5,806	166,605
Total liabilities	$ 1,550,989	981	1,551,970	1,595,683	3,209	1,598,892	1,556,394	5,806	1,562,200
Retained earnings	$ 119,111	(981)	118,130	127,266	(3,209)	124,057	139,778	(5,806)	133,972
Total GCI stockholders' equity	$ 161,380	(981)	160,399	171,748	(3,209)	168,539	185,150	(5,806)	179,344
Total stockholders' equity	$ 458,811	(981)	457,830	465,461	(3,209)	462,252	482,295	(5,806)	476,489

	First Quarter			Second Quarter			Third Quarter			
2014	Previously reported	Correction	As adjusted	Previously reported	Correction	As adjusted	Previously reported	Correction	As adjusted	Fourth Quarter
Total revenues	$ 216,283	—	216,283	224,399	—	224,399	240,725	—	240,725	228,791
Operating income	$ 30,265	—	30,265	38,414	—	38,414	49,336	—	49,336	25,547
Income tax expense	$ (215)	(981)	(1,196)	(127)	(2,228)	(2,355)	(2,481)	(2,597)	(5,078)	(1,400)
Net income	$ 11,742	(981)	10,761	19,068	(2,228)	16,840	28,444	(2,597)	25,847	5,796
Net income (loss) attributable to GCI	$ 2,121	(981)	1,140	8,155	(2,228)	5,927	12,512	(2,597)	9,915	(9,425)
Basic net income (loss) attributable to GCI per common share	$ 0.05	(0.02)	0.03	0.20	(0.06)	0.14	0.30	(0.06)	0.24	(0.24)
Diluted net income (loss) attributable to GCI per common share	$ 0.05	(0.02)	0.03	0.20	(0.06)	0.14	0.30	(0.06)	0.24	(0.24)

2013	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Total revenues	$ 186,216	189,661	217,943	217,828
Operating income	$ 23,060	25,695	38,684	25,423
Net income (loss) attributable to GCI	$ 3,244	4,180	8,905	(6,923)
Basic net income (loss) attributable to GCI per common share	$ 0.08	0.10	0.22	(0.17)
Diluted net income (loss) attributable to GCI per common share	$ 0.08	0.10	0.22	(0.17)

(15) Subsequent Events

On February 2, 2015, we purchased ACS Wireless's interest in AWN and substantially all the assets of ACS and its affiliates related to ACS's wireless business (the "Acquired Assets") for a cash payment of $293.2 million, subject to possible post-closing adjustments. The Acquired Assets included all of ACS Wireless' equity interest in AWN, substantially all of ACS's wireless subscriber assets, including subscriber contracts, and certain of ACS's CDMA network assets, including fiber strands and associated cell site electronics and microwave

facilities and associated electronics. GCI did not acquire certain excluded assets specified in the agreement. GCI assumed from ACS post-closing liabilities of ACS and its affiliates under contracts assumed by GCI and liabilities with respect to the ownership by ACS Wireless of its equity interest in AWN to the extent accruing and related to the period after closing. All other liabilities were retained by ACS and its affiliates.

To fund the 2015 purchase from ACS, on February 2, 2015 GCI Holdings entered into a Fourth Amended and Restated Credit and Guarantee Agreement with Credit Agricole that included $275.0 million of a Term B Loan. The interest rate under the Term B Loan is LIBOR plus 3.75%, with a 1% LIBOR floor. The Term B Loan will mature on February 2, 2022 or December 3, 2020 if our Senior Notes due 2021 are not refinanced prior to such date. We sold an unsecured promissory note to Searchlight ALX, L.P. ("Searchlight") in the principal amount of $75.0 million that will mature on February 2, 2023 and will bear interest at a rate of 7.5% per year ("Searchlight Note"). A portion of the proceeds from the Searchlight Note were used to finance the ACS transaction described above and the remainder will be used for general corporate purposes. Additionally, we entered into a Stock Appreciation Rights Agreement pursuant to which we issued to Searchlight three million stock appreciation rights which entitles Searchlight to receive, upon exercise, an amount payable at our election in either cash or shares of GCI's Class A common stock equal in value to the excess of the fair market value of a share of GCI Class A common stock on the date of exercise over the price of $13.00.

Item 15(b). Exhibits

Listed below are the exhibits that are filed as a part of this Report (according to the number assigned to them in Item 601 of Regulation S-K):

Exhibit No.	Description	Where Located
2.1	Amendment, dated as of October 1, 2012, to Asset Purchase and Contribution Agreement, dated as of June 4, 2012, among Alaska Communications Systems Group, Inc., General Communication, Inc., ACS Wireless, Inc., GCI Wireless Holdings, LLC and The Alaska Wireless Network, LLC	Incorporated by reference to The Company's Report on Form 8-K for the period October 1, 2012 filed October 2, 2012.
2.2	Purchase and Sale Agreement between Alaska Communications Systems Group, Inc. with General Communication, Inc., an Alaska corporation ("GCI"), GCI Communication Corp., an Alaska corporation and wholly owned subsidiary of GCI, ACS Wireless, Inc., an Alaska corporation and wholly owned subsidiary of ACS, GCI Wireless Holdings, LLC, an Alaska limited liability company and wholly owned subsidiary of GCI and The Alaska Wireless Network, LLC, a Delaware limited liability company *	
3.1	Restated Articles of Incorporation of the Company dated August 20, 2007	Incorporated by reference to The Company's Annual Report on Form 10-K for the year ended December 31, 2007 filed March 7, 2008.
3.2	Amended and Restated Bylaws of the Company dated September 26, 2014	Incorporated by reference to The Company's Report on Form 8-K for the period September 26, 2014 filed October 2, 2014.
4.1	General Communication, Inc. Amended and Restated 1986 Stock Option Plan*	
4.2	Securityholder Agreement by and between General Communication, Inc. and Searchlight ALX, L.P. dated as of December 4, 2014 *	
4.3	Unsecured Promissory Note Due 2023 entered into as of February 2, 2015 by and between General Communication, Inc. and Searchlight ALX, L.P. *	
4.4	Stock Appreciation Rights Agreement entered into as of February 2, 2015 by and between General Communication, Inc. and Searchlight ALX, L.P. *	
10.1	Order approving Application for a Certificate of Public Convenience and Necessity to operate as a Telecommunications (Intrastate Interexchange Carrier) Public Utility within Alaska	Incorporated by reference to The Company's Annual Report on Form 10-K for the year ended December 31, 1991.
10.2	The GCI Special Non-Qualified Deferred Compensation Plan [1]	Incorporated by reference to The Company's Annual Report on Form 10-K for the year ended December 31, 1995.
10.3	Transponder Purchase Agreement for Galaxy X between Hughes Communications Galaxy, Inc. and GCI Communication Corp.	Incorporated by reference to The Company's Annual Report on Form 10-K for the year ended December 31, 1995.
10.4	Lease Agreement dated September 30, 1991 between RDB Company and General Communication, Inc.	Incorporated by reference to The Company's Annual Report on Form 10-K for the year ended December 31, 1991.
10.5	Transponder Lease Agreement between General Communication Incorporated and Hughes Communications Satellite Services, Inc., executed August 8, 1989	Incorporated by reference to The Company's Annual Report on Form 10-K for the year ended December 31, 1993.

Exhibit No.	Description	Where Located
10.6	Addendum to Galaxy X Transponder Purchase Agreement between GCI Communication Corp. and Hughes Communications Galaxy, Inc. dated August 24, 1995	Incorporated by reference to The Company's Amendment No. 1 to Form S-3/A Registration Statement (File No. 333-28001) dated July 8, 1997.
10.7	First Amendment to Lease Agreement dated as of September 2002 between RDB Company and GCI Communication Corp. as successor in interest to General Communication, Inc.	Incorporated by reference to The Company's Annual Report on Form 10-K for the year ended December 31, 2002.
10.8	Aircraft lease agreement between GCI Communication Corp., and Alaska corporation and 560 Company, Inc., an Alaska corporation, dated as of January 22, 2001	Incorporated by reference to The Company's Annual Report on Form 10-K for the year ended December 31, 2002.
10.9	First amendment to aircraft lease agreement between GCI Communication Corp., and Alaska corporation and 560 Company, Inc., an Alaska corporation, dated as of February 8, 2002	Incorporated by reference to The Company's Annual Report on Form 10-K for the year ended December 31, 2002.
10.10	Full-time Transponder Capacity Agreement with PanAmSat Corporation dated March 31, 2006 #	Incorporated by reference to The Company's Quarterly Report on Form 10-Q for the period ended March 31, 2006.
10.11	Registration Rights Agreement dated as of March 5, 2007 between General Communication, Inc. and John W. Stanton and Theresa E. Gillespie	Incorporated by reference to Exhibit 3 of the Schedule 13D dated March 5, 2007 filed on March 12, 2007.
10.12	Second Amendment to Lease Agreement dated as of April 8, 2008 between RDB Company and GCI Communication Corp. as successor in interest to General Communication, Inc.	Incorporated by reference to The Company's Quarterly Report on Form 10-Q for the period ended March 31, 2008.
10.13	Fifth Amendment to the Amended and Restated Credit Agreement dated as of October 17, 2008 by and among Holdings, Inc. the other parties thereto and Calyon New York Branch, as administrative agent, and the other Lenders party thereto	Incorporated by reference to The Company's Quarterly Report on Form 10-Q for the period ended September 30, 2008.
10.14	First Amendment to the Full-Time Transponder Capacity Agreement (Pre-Launch) between Intelsat Corporation, formerly known as PanAmSat Corporation and GCI Communication Corp. dated February 15, 2008 #	Incorporated by reference to The Company's Quarterly Report on Form 10-Q for the period ended September 30, 2009.
10.15	Second Amendment to the Full-Time Transponder Capacity Agreement (Pre-Launch) between Intelsat Corporation, formerly known as PanAmSat Corporation and GCI Communication Corp. dated April 9, 2008 #	Incorporated by reference to The Company's Quarterly Report on Form 10-Q for the period ended September 30, 2009.
10.16	Third Amendment to the Full-Time Transponder Capacity Agreement (Pre-Launch) between Intelsat Corporation, formerly known as PanAmSat Corporation and GCI Communication Corp. dated June 4, 2008 #	Incorporated by reference to The Company's Quarterly Report on Form 10-Q for the period ended September 30, 2009.
10.17	Fourth Amendment to the Full-Time Transponder Capacity Agreement (Pre-Launch) between Intelsat Corporation, formerly known as PanAmSat Corporation and GCI Communication Corp. dated June 4, 2008 #	Incorporated by reference to The Company's Quarterly Report on Form 10-Q for the period ended September 30, 2009.
10.18	Fifth Amendment to the Full-Time Transponder Capacity Agreement (Pre-Launch) between Intelsat Corporation, formerly known as PanAmSat Corporation and GCI Communication Corp. dated September 30, 2008 #	Incorporated by reference to The Company's Quarterly Report on Form 10-Q for the period ended September 30, 2009.
10.19	Sixth Amendment to the Full-Time Transponder Capacity Agreement (Pre-Launch) between Intelsat Corporation, formerly known as PanAmSat Corporation and GCI Communication Corp. dated October 31, 2008 #	Incorporated by reference to The Company's Quarterly Report on Form 10-Q for the period ended September 30, 2009.

Exhibit No.	Description	Where Located
10.20	Seventh Amendment to the Full-Time Transponder Capacity Agreement (Pre-Launch) between Intelsat Corporation, formerly known as PanAmSat Corporation and GCI Communication Corp. dated November 6, 2008 #	Incorporated by reference to The Company's Quarterly Report on Form 10-Q for the period ended September 30, 2009.
10.21	Eighth Amendment to the Full-Time Transponder Capacity Agreement (Pre-Launch) between Intelsat Corporation, formerly known as PanAmSat Corporation and GCI Communication Corp. dated June 8, 2009 #	Incorporated by reference to The Company's Quarterly Report on Form 10-Q for the period ended September 30, 2009.
10.22	Indenture dated as of November 3, 2009 between GCI, Inc. and Union Bank, N.A., as trustee	Incorporated by reference to GCI, Inc.'s Report on Form 8-K for the period November 3, 2009 filed November 5, 2009.
10.23	Second Amended and Restated Credit Agreement dated as of January 29, 2010 by and among GCI Holdings, Inc., the other parties thereto and Calyon New York Branch, as administrative agent, and the other Lenders party thereto	Incorporated by reference to The Company's Report on Form 8-K for the period January 29, 2010 filed February 3, 2010.
10.24	Ninth Amendment to the Full-Time Transponder Capacity Agreement (Pre-Launch) between Intelsat Corporation, formerly known as PanAmSat Corporation and GCI Communication, Corp. dated June 29, 2010 #	Incorporated by reference to The Company's Quarterly Report on Form 10-Q for the period ended June 30, 2010 filed August 5, 2010.
10.25	Amended and restated aircraft lease agreement between GCI Communication Corp., and Alaska corporation and 560 Company, Inc., an Alaska corporation, dated as of February 25, 2005	Incorporated by reference to The Company's Annual Report on Form 10-K for the year ended December 31, 2010, filed March 15, 2011.
10.26	First amendment to the amended and restated aircraft lease agreement between GCI Communication Corp., and Alaska corporation and 560 Company, Inc., an Alaska corporation, dated as of December 27, 2010	Incorporated by reference to The Company's Annual Report on Form 10-K for the year ended December 31, 2010, filed March 15, 2011.
10.27	Tenth Amendment to the Full-Time Transponder Capacity Agreement (Pre-Launch) between Intelsat Corporation, formerly known as PanAmSat Corporation and GCI Communication, Corp. dated September 24, 2010 #	Incorporated by reference to The Company's Annual Report on Form 10-K for the year ended December 31, 2010, filed March 15, 2011.
10.28	Eleventh Amendment to the Full-Time Transponder Capacity Agreement (Pre-Launch) between Intelsat Corporation, formerly known as PanAmSat Corporation and GCI Communication, Corp. dated September 23, 2010 #	Incorporated by reference to The Company's Annual Report on Form 10-K for the year ended December 31, 2010, filed March 15, 2011.
10.29	Twelfth Amendment to the Full-Time Transponder Capacity Agreement (Pre-Launch) between Intelsat Corporation, formerly known as PanAmSat Corporation and GCI Communication, Corp. dated November 5, 2010 #	Incorporated by reference to The Company's Annual Report on Form 10-K for the year ended December 31, 2010, filed March 15, 2011.
10.30	Broadband Initiatives Program Loan/Grant and Security Agreement between United Utilities, Inc. and the United States of America dated as of June 1, 2010 #	Incorporated by reference to The Company's Annual Report on Form 10-K for the year ended December 31, 2010, filed March 15, 2011.
10.31	Indenture dated as of May 20, 2011 between GCI, Inc. and Union Bank, N.A., as trustee	Incorporated by reference to GCI, Inc.'s Report on Form 8-K for the period May 20, 2011 filed May 25, 2011.
10.32	Supplemental Indenture dated as of May 23, 2011 between GCI, Inc. and Union Bank, N.A., as trustee	Incorporated by reference to GCI, Inc.'s Report on Form 8-K for the period May 20, 2011 filed May 25, 2011.

Exhibit No.	Description	Where Located
10.33	Add-on Term Loan Supplement No. 1, dated as of June 10, 2011 to the Second Amended and Restated Credit and Guarantee Agreement, dated as of January 29, 2010, among GCI Holdings, Inc., GCI, Inc., the Subsidiary Guarantors party thereto, the Lenders party thereto, Credit Agricole Corporate and Investment Bank, as Administrative Agent, and the other Agents named therein.	Incorporated by reference to The Company's Report on Form 8-K for the period June 10, 2011 filed June 14, 2011.
10.34	Second Amended and Restated Aircraft Lease Agreement between GCI Communication Corp., an Alaska corporation and 560 Company, Inc., an Alaska corporation, dated May 9, 2011	Incorporated by reference to The Company's Quarterly Report on Form 10-Q for the period ended June 30, 2011 filed August 9, 2011.
10.35	Add-on Term Loan Supplement No. 2, dated as of July 22, 2011 to the Second Amended and Restated Credit and Guarantee Agreement, dated as of January 29, 2010, among GCI Holdings, Inc., GCI, Inc., the Subsidiary Guarantors party thereto, the Lenders party thereto, Credit Agricole Corporate and Investment Bank, as Administrative Agent, and the other Agents named therein.	Incorporated by reference to The Company's Report on Form 8-K for the period July 22, 2011 filed July 26, 2011.
10.36	Credit Agreement dated August 30, 2011 by and between Unicom, Inc. as borrower and Northern Development Fund VIII, LLC as Lender and Travois New Markets Project CDE X, LLC as Lender and Waveland Sub CDE XVI, LLC as Lender and Alaska Growth Capital Bidco, Inc. as Disbursing Agent	Incorporated by reference to The Company's Report on Form 8-K for the period August 30, 2011 filed September 6, 2011.
10.37	Asset Purchase and Contribution Agreement Dated as of June 4, 2012 By and Among Alaska Communications Systems Group, Inc., ACS Wireless, Inc., General Communication, Inc., GCI Wireless Holdings, LLC and The Alaska Wireless Network, LLC #	Incorporated by reference to The Company's Quarterly Report on Form 10-Q for the period ended June 30, 2012 filed August 6, 2012.
10.38	Add-on Term Loan Supplement No. 3, dated as of July 31, 2012 to the Second Amended and Restated Credit and Guarantee Agreement, dated as of January 29, 2010, among GCI Holdings, Inc., GCI, Inc., the Subsidiary Guarantors party thereto, the Lenders party thereto, Credit Agricole Corporate and Investment Bank, as Administrative Agent, and the other Agents named therein.	Incorporated by reference to The Company's Quarterly Report on Form 10-Q for the period ended June 30, 2012 filed August 6, 2012.
10.39	Credit Agreement dated October 3, 2012 by and between Unicom, Inc. as borrower and USBCDE Sub-CDE 74, LLC as Lender and Cherokee Nation Sub-CDE II, LLC as Lender and LBCDE Sub2, LLC as Lender and Waveland Sub CDE XXII, LLC as Lender	Incorporated by reference to The Company's Report on Form 8-K for the period October 3, 2012 filed October 9, 2012.
10.40	Thirteenth Amendment to the Full-Time Transponder Capacity Agreement (Pre-Launch) between Intelsat Corporation, formerly known as PanAmSat Corporation and GCI Communication, Corp. dated March 14, 2011 #	Incorporated by reference to The Company's Annual Report on Form 10-K for the year ended December 31, 2012, filed March 8, 2013.
10.41	Fourteenth Amendment to the Full-Time Transponder Capacity Agreement (Pre-Launch) between Intelsat Corporation, formerly known as PanAmSat Corporation and GCI Communication, Corp. dated June 7, 2011 #	Incorporated by reference to The Company's Annual Report on Form 10-K for the year ended December 31, 2012, filed March 8, 2013.
10.42	Fifteenth Amendment to the Full-Time Transponder Capacity Agreement (Pre-Launch) between Intelsat Corporation, formerly known as PanAmSat Corporation and GCI Communication, Corp. dated December 29, 2011 #	Incorporated by reference to The Company's Annual Report on Form 10-K for the year ended December 31, 2012, filed March 8, 2013.
10.43	Sixteenth Amendment to the Full-Time Transponder Capacity Agreement (Pre-Launch) between Intelsat Corporation, formerly known as PanAmSat Corporation and GCI Communication, Corp. dated December 21, 2012 #	Incorporated by reference to The Company's Annual Report on Form 10-K for the year ended December 31, 2012, filed March 8, 2013.

Exhibit No.	Description	Where Located
10.44	Third Amended and Restated Credit Agreement dated as of April 30, 2013 by and among GCI Holdings, Inc., GCI, Inc., the Subsidiary Guarantors party thereto, the Lenders party thereto, Union Bank, as Syndication Agent, Suntrust Bank, as Documentation Agent and Credit Agricole Corporate and Investment Bank, as Administrative Agent	Incorporated by reference to The Company's Report on Form 8-K for the period April 30, 2013 filed May 6, 2013.
10.45	Seventeenth Amendment to the Full-Time Transponder Capacity Agreement (Pre-Launch) between Intelsat Corporation, formerly known as PanAmSat Corporation and GCI Communication, Corp. dated June 4, 2013 #	Incorporated by reference to The Company's Quarterly Report on Form 10-Q for the period ended September 30, 2013 filed November 8, 2013.
10.46	Eighteenth Amendment to the Full-Time Transponder Capacity Agreement (Pre-Launch) between Intelsat Corporation, formerly known as PanAmSat Corporation and GCI Communication, Corp. dated October 17, 2013 #	Incorporated by reference to The Company's Quarterly Report on Form 10-Q for the period ended September 30, 2013 filed November 8, 2013.
10.47	First Amended and Restated Operating Agreement of The Alaska Wireless Network, LLC dated July 22, 2013 #	Incorporated by reference to The Company's Quarterly Report on Form 10-Q for the period ended September 30, 2013 filed November 8, 2013.
10.48	Broadband Initiatives Program Loan/Grant and Security Agreement between United Utilities, Inc. and The United States of America dated June 1, 2010	Incorporated by reference to The Company's Quarterly Report on Form 10-Q for the period ended September 30, 2013 filed November 8, 2013.
10.49	Nineteenth Amendment to the Full-Time Transponder Capacity Agreement (Pre-Launch) between Intelsat Corporation and GCI Communication, Corp. dated March 20, 2014 #	Incorporated by reference to The Company's Quarterly Report on Form 10-Q for the period ended March 31, 2014 filed May 5, 2014.
10.50	Twentieth Amendment to the Full-Time Transponder Capacity Agreement (Pre-Launch) between Intelsat Corporation and GCI Communication, Corp. dated August 11, 2014 # *	
10.51	Fourth Amended and Restated Credit Agreement dated as of February 2, 2015 by and among GCI Holdings, Inc., GCI, Inc., the Subsidiary Guarantors party thereto, the Lenders party thereto, Union Bank, as Syndication Agent, Suntrust Bank, as Documentation Agent and Credit Agricole Corporate and Investment Bank, as Administrative Agent *	
10.52	Description of Incentive Compensation Plan for Named Executive Officers [1] *	"Executive Compensation" in Part III of this Annual Report on Form 10-K for the year ending December 31, 2014.
14	Code Of Business Conduct and Ethics (originally reported as exhibit 10.118)	Incorporated by reference to The Company's Quarterly Report on Form 10-Q for the period ended March 31, 2004.
21.1	Subsidiaries of the Registrant *	
23.1	Consent of Grant Thornton LLP (Independent Public Accountant for Company) *	
31	Certifications Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 *	
32	Certifications Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 *	

Exhibit No.	Description	Where Located
101	The following materials from General Communication, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2014, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets as of December 31, 2014 and 2013; (ii) Consolidated Income Statements for the years ended December 31, 2014, 2013 and 2012; (iii) Consolidated Statements of Stockholders' Equity for the years ended December 31, 2014, 2013 and 2012; (iv) Consolidated Statements of Cash Flows for the years ended December 31, 2014, 2013 and 2012; and (v) Notes to Consolidated Financial Statements *	

#	CONFIDENTIAL PORTION has been omitted pursuant to a request for confidential treatment by us to, and the material has been separately filed with, the SEC. Each omitted Confidential Portion is marked by three asterisks.
*	Filed herewith.
[1]	Constitute management contracts or compensatory plans.

SIGNATURES

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

GENERAL COMMUNICATION, INC.

By: /s/ Ronald A. Duncan
Ronald A. Duncan, President
(Chief Executive Officer)

Date: March 5, 2015

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

Signature	Title	Date
/s/ Stephen M. Brett Stephen M. Brett	Chairman of Board and Director	March 5, 2015
/s/ Ronald A. Duncan Ronald A. Duncan	President and Director (Principal Executive Officer)	March 5, 2015
/s/ Bridget L. Baker Bridget L. Baker	Director	March 5, 2015
/s/ Jerry A. Edgerton Jerry A. Edgerton	Director	March 5, 2015
/s/ Scott M. Fisher Scott M. Fisher	Director	March 5, 2015
/s/ William P. Glasgow William P. Glasgow	Director	March 5, 2015
 Mark W. Kroloff	Director	
/s/ Stephen R. Mooney Stephen R. Mooney	Director	March 5, 2015
/s/ James M. Schneider James M. Schneider	Director	March 5, 2015
 Eric L. Zinterhofer	Director	
/s/ Peter J. Pounds Peter J. Pounds	Senior Vice President, Chief Financial Officer, and Secretary (Principal Financial Officer)	March 5, 2015
/s/ Lynda L. Tarbath Lynda L. Tarbath	Vice President, Chief Accounting Officer (Principal Accounting Officer)	March 5, 2015

Exhibit 2.2

EXECUTION COPY

PURCHASE AND SALE AGREEMENT

DATED AS OF DECEMBER 4, 2014

BY AND AMONG

ALASKA COMMUNICATIONS SYSTEMS GROUP, INC.,

ACS WIRELESS, INC.,

GCI COMMUNICATION CORP.,

GCI WIRELESS HOLDINGS, LLC

GENERAL COMMUNICATION, INC.

AND

THE ALASKA WIRELESS NETWORK, LLC

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LIST OF EXHIBITS

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LIST OF SCHEDULES PROVIDED SEPARATELY

PURCHASE AND SALE AGREEMENT

This PURCHASE AND SALE AGREEMENT (this "**Agreement**") is dated as of December 4, 2014 (the "**Signing Date**"), by and among Alaska Communications Systems Group, Inc., a Delaware corporation ("**ACS**"), ACS Wireless, Inc., an Alaska corporation ("**ACS Wireless**"), GCI Communication Corp., an Alaska corporation ("**GCI**"), GCI Wireless Holdings, LLC, an Alaska limited liability company ("**GCI Wireless**"), The Alaska Wireless Network, LLC, a Delaware limited liability company (the "**Company**"), and General Communication, Inc., an Alaska corporation ("**GCI Parent**"). Capitalized terms used and not otherwise defined in this Agreement have the meanings given such terms in Section 1.

R E C I T A L S:

A. ACS and its Affiliates are engaged in the ACS Wireless Activities.

B. ACS Wireless and GCI Wireless are the sole members of the Company.

C. The ACS Group desires to sell to GCI, and GCI desires to purchase from the ACS Group, the ACS Assets, on the terms and conditions set forth in this Agreement.

D. ACS Wireless desires to sell to GCI Wireless, and GCI Wireless desires to purchase from ACS Wireless, the ACS AWN Interest, on the terms and conditions set forth in this Agreement.

E. This Agreement (together with the Ancillary Agreements) is intended to provide GCI and its subsidiaries with the ACS Assets and all rights held by ACS and its subsidiaries that are necessary to provide retail wireless services to Subscribers and to operate the ACS Assets. Consistent with this intent, no continuing obligations, costs, or expenses would be payable by GCI, the Company or their affiliates to ACS or its subsidiaries, to secure such ACS Assets and the rights described in the Ancillary Agreements, except as specifically described in this Agreement and the Ancillary Agreements.

A G R E E M E N T S:

In consideration of the representations, warranties, covenants and agreements contained herein and other consideration the receipt and sufficiency of which are hereby acknowledged, each of ACS, ACS Wireless, GCI and GCI Wireless intending to be legally bound do hereby agree as follows:

Section 1. DEFINED TERMS

1.1 Terms Defined in this Section. The following terms shall have the following meanings in this Agreement:

"**Accounts Receivable**" means all rights of the ACS Group to payment for providing Wireless services and products, whether billed or earned, to Subscribers prior to Closing in connection with the ACS Wireless Activities, including amounts receivable from Lifeline

Subscribers, *provided*, *however*, that amounts receivable from federal or Alaska Universal Service Funds for Lifeline support shall not be included in Accounts Receivable.

"**ACS**" has the meaning given such term in the Preamble.

"**ACS Assets**" means the ACS Subscriber Assets and ACS Network Assets, and, for the avoidance of doubt, shall not include the ACS AWN Interest.

"**ACS AWN Interest**" means the limited liability company membership interest in the Company held by ACS Wireless, including all rights of ACS Wireless to distributions from the Company.

"**ACS Board**" means the board of directors of ACS.

"**ACS Closing Requirements**" means all conditions to the obligations of GCI and GCI Wireless at the Closing under Section 8.2 (other than Sections 8.2(l), (m) and (n)), and the condition to the obligations of ACS and ACS Wireless that the Specified Consents shall have been obtained, *provided* that delivery of a certificate attesting to any such conditions or delivery of executed Ancillary Agreements required pursuant to Section 8.2 shall not be required to be delivered so long as ACS stands willing and able to make such deliveries.

"**ACS Group**" means ACS and its Affiliates.

"**ACS Network Assets**" means the rights, property, and Contracts of the ACS Group used in the operation of the CDMA Wireless network, as listed in Section 2.1(a), but excluding the Excluded Assets, as more particularly described in Section 2.4.

"**ACS Services Agreement**" means the ACS Services Agreement dated June 4, 2012, by and between ACS Wireless and the Company.

"**ACS Subscriber Assets**" means all of the rights and Contracts of the ACS Group used to provide goods and services to Subscribers, as more particularly described in Section 2.1(b), but excluding the Excluded Assets, as more particularly described in Section 2.4.

"**ACS Wireless**" has the meaning given such term in the Preamble.

"**ACS Wireless Activities**" means the retail wireless voice and data services business conducted by the ACS Group, including the sale to Subscribers of wireless voice and data services provided by the Company.

"**Actual Postpaid Subscriber Count**" means the difference between (a) the actual number of Postpaid Subscribers of the ACS Wireless Activities and (b) the actual number of Nonqualifying Subscribers who are Postpaid Subscribers included in clause (a), in each case on the Closing Date (or, if the Closing has not occurred on or before the Target Closing Date, the later of (i) the Target Closing Date or (ii) the date on which the Subscriber Adjustment Conditions have been satisfied or waived).

"**Actual Prepaid Subscriber Count**" means the difference between (a) the actual number of Prepaid Subscribers of the ACS Wireless Activities and (b) the actual number of Nonqualifying Subscribers who are Prepaid Subscribers included in clause (a), in each case on the Closing Date (or, if the Closing has not occurred on or before the Target Closing Date, the later of (i) the Target Closing Date or (ii) the date on which the Subscriber Adjustment Conditions have been satisfied or waived).

"**Affiliate**" means, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with such Person, except that, prior to the Closing, the Company shall not be deemed to be an Affiliate of either Member. For purposes of this definition, "control" (including the terms "controlled by," and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities or partnership or other ownership interests, by contract, or otherwise.

"**Affiliate Contract**" means any Contract between a Person in the ACS Group, on the one hand, and one or more of such Person's Affiliates, on the other hand.

"**Agreement**" has the meaning given such term in the Preamble.

"**Allocation Schedule**" has the meaning given such term in Section 7.12.

"**Ancillary Agreements**" means the Escrow Agreement, the Telular Agreement, the BIT Agreement, the Transition Services Agreement, the IP License Agreements, the A&R ACS Services Agreement, the Omnibus Amendment Agreement, the Transition Support Agreement and any other agreements and instruments executed and delivered in connection with this Agreement or the Ancillary Agreements.

"**Antitrust Division**" has the meaning given such term in Section 7.10.

"**Antitrust Law**" means the Sherman Act, the Clayton Act, the HSR Act, the Federal Trade Commission Act, and all other federal, state and foreign statutes, rules, regulations, orders, decrees, administrative and judicial doctrines and other laws that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade or lessening of competition.

"**A&R ACS Services Agreement**" means the Amended and Restated ACS Services Agreement.

"**Assignment of Ownership Interest**" means the Assignment of Ownership Interest substantially in the form of Exhibit C.

"**Assumed Contracts**" means (a) the Contracts listed in Schedule 4.2 other than Contracts that GCI elects not to assume pursuant to Section 7.8(b), (b) all Subscriber Contracts other than Excluded Business Customer Contracts and Contracts that GCI elects not to assume pursuant to Section 7.8(a), and (c) all Assumed Leases.

"**Assumed Leases**" has the meaning given such term in Section 7.16.

"**Assumed Leases Assumption Date**" means the date that is ten Business Days after the Transition Completion Date.

"**Assumed Liabilities**" has the meaning given such term in Section 2.5.

"**Assumed Subscriber Liabilities**" means (a) any remaining liability of ACS to Prepaid Subscribers or Postpaid Subscribers to provide Wireless services for which such Prepaid Subscribers or Postpaid Subscribers have paid, (b) any liability of ACS to Subscribers for deposits and (c) any liability for Taxes collected or withheld from Subscribers whose Contracts are included in the ACS Subscriber Assets that is required to be paid by GCI on or after the Closing Date, including E911 payments.

"**AWN Account Payable**" means the aggregate amount owed by ACS Wireless to the Company for plans, services, and other charges pursuant to the FNUA provided through the Closing Date, less the aggregate amount owed by the Company to ACS Wireless for services provided, shared third party charges and ACS Wireless equipment subsidy reimbursements through the Closing Date. Such amount shall be determined as follows: For charges with respect to the period from February through August 2014, such amount shall be the unpaid portion of the "Total Net Due to AWN" as set forth in the analysis sent to the Company by ACS Wireless on October 14, 2014. For charges with respect to the period from September 2014 through the Closing Date, such amount shall be (a) for traditional postpaid plans and services, the unpaid portion of an amount equal to 70% of retail revenues with respect to such plans plus $100,000 per month (prorated for any portion of a month), and (b) for all plans other than those described in clause (a), the unpaid portion of an amount equal to the Company's charges at the Company's wholesale rates for such plans and services (prorated for any portion of a month).

"**Bankruptcy Event**" means, with respect to any Person, the commencement or occurrence of any of the following: (a) a voluntary or involuntary case under Title 11 of the U.S. Code (the "**Bankruptcy Code**"), as now constituted or hereafter amended, or under any other applicable federal, state or foreign bankruptcy or insolvency law or other similar law, in which such Person is a debtor; (b) the appointment of (or a proceeding to appoint) a trustee or receiver for a substantial portion of such Person's property interest, or a custodian (as such term is defined in section 101 of the Bankruptcy Code); (c) an attachment, execution or other judicial seizure of (or a proceeding to attach, execute or seize) a substantial property interest of such Person; (d) a general assignment for the benefit of creditors; (e) the taking of, failure to take, or submission to any action indicating (after reasonable investigation) an inability to meet its obligations as they accrue; or (f) the general failure to pay debts as such debts become due.

"**Baseline Postpaid Subscriber Count**" means 86,000 Postpaid Subscribers, reduced by one percent for each month (or a pro rata portion of one percent for any partial month) after the Signing Date and before the Closing Date. For the purposes of the foregoing definition, a "month" means the 30-day period beginning the day after the Signing Date, and, as applicable, any subsequent 30-day period.

"**Baseline Prepaid Subscriber Count**" means 18,000 Prepaid Subscribers.

"**Base Purchase Price**" has the meaning given such term in Section 2.2.

"**Basket**" has the meaning given such term in Section 11.6(c).

"**Basket/Cap Exclusions**" has the meaning given such term in Section 11.6(c).

"**BIT Agreement**" means the Backhaul, Interconnection and Transport Agreement substantially in the form of Exhibit H.

"**Business Day**" means any day except Saturday, Sunday or any other day on which commercial banks located in New York City or Anchorage are required or authorized by law to be closed for business.

"**CDMA Core**" means the CDMA core electronics, equipment and facilities owned by the Company and currently operated on its behalf by ACS pursuant to the ACS Services Agreement.

"**CDMA Core Assets**" means (i) all Wireless equipment, inventory and property that is dedicated to the CDMA Core, (ii) any asset acquired by ACS Wireless under the ACS Services Agreement for the CDMA Core which has been fully paid for by the Company and (iii) the Assumed Contracts, in each case, used or useful in the provision of Wireless services by ACS and its Affiliates in connection with the CDMA Core.

"**CETC Cash Flow**" means all revenues from the Universal Service Fund for high cost support (including all support disbursed pursuant to 47 C.F.R. § 54.307 for Wireless services, 47 C.F.R. Subpart L, the FCC's Mobility Fund or Tribal Mobility Fund, or any successor or other provisions created hereafter to provide universal service support for Wireless services in rural, insular or high cost areas, as defined by the FCC) received by the ACS Group after the Closing with respect to the ACS Wireless Activities prior to the Closing, regardless of whether line counts were submitted prior to or after the Closing or were associated with Wireless service provided to end users prior to Closing.

"**Claimant**" has the meaning given such term in Section 11.2.

"**Clayton Act**" means title 15 of the United States Code §§ 12-27 and title 29 of the United States Code §§ 52-53.

"**Closing**" has the meaning given such term in Section 9.1.

"**Closing Calculation Statement**" has the meaning given such term in Section 2.3(f).

"**Closing Date**" has the meaning given such term in Section 9.1.

"**COBRA**" means Section 4980B of the Code and Section 601 et seq. of ERISA.

"**Code**" means the Internal Revenue Code of 1986, as amended from time to time (including corresponding provisions of subsequent revenue laws).

"**Company**" has the meaning given such term in the Preamble.

"**Communications Act**" means the Communications Act of 1934, as amended.

"**CommSoft**" means Communications Software Consultants, Inc.

"**CommSoft System**" means the software systems and services, including customer care and billing operations systems provided by CommSoft and related data and information utilized by such systems.

"**Compensation Arrangement**" means any plan or compensation arrangement other than an Employee Plan, whether written or unwritten, which provides to employees, former employees, officers, directors or independent contractors of ACS or its Affiliates, any compensation or other benefits, whether deferred or not, in excess of base salary or wages and excluding overtime pay, including any bonus or incentive plan, stock rights plan, deferred compensation arrangement, life insurance, stock purchase plan, severance pay plan and any other perquisites and employee fringe benefit plan.

"**Confidentiality Agreement**" means that certain Confidentiality Agreement entered into by ACS and GCI dated August 15, 2014.

"**Consents**" means all of the consents, permits or approvals of Governmental Authorities and other Third Parties (including shareholders or members of any Party) necessary to consummate the Transactions, including the Specified Consents, and any Consent required to transfer and assign any Assumed Contracts.

"**Continuing Indemnification Obligations**" has the meaning given such term in the Omnibus Amendment Agreement.

"**Contracts**" means all contracts, leases, license agreements, undertakings and all other agreements, commitments and legally binding arrangements, whether written or oral, relating to the ACS Wireless Activities or the ACS Assets and to which a member of the ACS Group is a party or which are binding upon a member of the ACS Group, including Contracts for the provision of Wireless services to Subscribers, Lifeline Subscriber agreements, and agreements related to the provision of Wireless services to OnStar Subscribers.

"**Contribution IRU Agreement**" means the Fiber, Facilities, and Capacity Contribution IRU Agreement dated July 22, 2013, by and among the Company, ACS Wireless and GCI, as amended.

"**Damages**" has the meaning given such term in Section 11.3(a).

"**Dedicated Microwave Circuits**" means point-to-point FCC licensed and unlicensed radio frequency equipment used to transmit exclusively Wireless voice and data communications over

free space from or to a Company cell site or third party Wireless carrier cell site that was served by a member of the ACS Group on July 22, 2013, to a Core Connecting Point (as defined in the Contribution IRU Agreement) or another cell site, including all baseband processing, RF, transmission lines, antenna systems and associated cabling and attachment hardware.

"**Deferred Payment Amount**" has the meaning given such term in Section 2.2(b).

"**Disputed Amounts**" has the meaning given such term in Section 2.3(h)(iii).

"**Distribution**" has the meaning given such term in the Operating Agreement.

"**Distribution Date**" has the meaning given such term in Section 2.3(a).

"**Drop Circuits**" means the dedicated final fiber optic facility that extends from ACS's or its Affiliates' network interface device located at a Company or third party Wireless carrier cell site to a point of interconnection of such facility to a facility that carries other customers' traffic and/or circuits or to the first point of electronics, whichever comes first, in the "Drop Circuit" (as defined in the Contribution IRU Agreement) in which the Company was granted an IRU by ACS in the Contribution IRU Agreement or that was ordered subsequently by the Company under the Contribution IRU Agreement. For the avoidance of doubt, Drop Circuits include the terminating electronic devices and legal title to Drop Circuits.

"**Effective Time**" means 11:59 p.m., Alaska time, on the Closing Date.

"**Eligible Accounts Receivable**" means an amount equal to (a) all Accounts Receivable validly recorded on ACS's accounts receivable detailed aging report that, as of the Closing Date, have not been outstanding for 90 days or more from date of billing *minus* the Accounts Receivable from Postpaid Subscribers for any amount that is attributable to the period after the Effective Time, *multiplied by* (b) .95 (to reflect a discount of 5% for administrative costs of GCI after Closing for collecting and processing payments). For the avoidance of doubt, Eligible Accounts Receivable does not include CETC Cash Flow.

"**Enforceability Exceptions**" means the exceptions or limitations to the enforcement of contract terms arising in the instance of bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally, and the application of general principles of equity.

"**Environmental Claim**" means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity, any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority, or any lien, fine, penalty, or, as to each, any settlement or judgment arising therefrom, by or from any Person alleging liability of whatever kind or nature (including liability or responsibility for the costs of enforcement proceedings, investigations, cleanup, governmental response, removal or remediation, natural resources damages, property damages, personal injuries, medical monitoring, penalties, contribution, indemnification and injunctive relief) arising out of, based on or resulting from: (a) the presence, release of, or

exposure to, any Hazardous Substance; or (b) any actual or alleged non-compliance with any Environmental Law.

"**Environmental Law**" means any statute, code or law (including common law) pertaining to land use, air, soil, surface water, groundwater (including the protection, cleanup, removal, remediation or damage thereof), the use, handling, storage, disposal or exposure to any Hazardous Substance, or any other environmental matter, including the following statutes as the same may be amended from time to time: (a) Clean Air Act (42 U.S.C. § 7401, et seq.); (b) Clean Water Act (33 U.S.C. § 1251, et seq.); (c) Resource Conservation and Recovery Act (42 U.S.C. § 6901, et seq.); (d) Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601, et seq.); (e) Safe Drinking Water Act (42 U.S.C. 300f, et seq.); (f) Toxic Substance Control Act (15 U.S.C. § 2601, et seq.); and (g) Occupational Safety and Health Act (29 U.S.C. § 651, et seq.) and including any rule, regulation, order, permit or other standard request or procedure enacted, adopted, promulgated or applied by any Governmental Authority with respect to such matters.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations thereunder, as in effect from time to time.

"**ERISA Affiliate**" means a trade or business affiliated within the meaning of Sections 414(b), (c) or (m) of the Code.

"**Escrow Agent**" means Wells Fargo Bank, National Association, the escrow agent designated under the Escrow Agreement.

"**Escrow Agreement**" means the Escrow Agreement substantially in the form of Exhibit F.

"**Escrow Amount**" has the meaning given such term in Section 2.2(a).

"**Estimated Assumed Subscriber Liabilities**" has the meaning given such term in Section 2.3(e)(iii).

"**Estimated AWN Account Payable**" has the meaning given such term in Section 2.3(e)(iv).

"**Estimated Eligible Accounts Receivable**" has the meaning given such term in Section 2.3(e)(ii).

"**Estimated Subscriber Adjustment**" has the meaning given such term in Section 2.3(e)(i).

"**ETC Designation**" means the designation by RCA as an Eligible Telecommunications Carrier for Wireless services within the State of Alaska.

"**Exchange Act**" means the Securities Exchange Act of 1934, and the regulations thereunder, as in effect from time to time.

"**Excluded Assets**" means certain assets of the ACS Group that are not being sold, transferred, or otherwise conveyed hereunder, as specified in Section 2.4.

"**Excluded Business Customer Contracts**" means the Contracts between the ACS Group or its Affiliates and certain business customers identified therein set forth on Schedule 2.4.

"**Excluded Business Customer Payment**" has the meaning given such term in Section 7.19.

"**Excluded Business Customers**" means the Subscribers pursuant to an Excluded Business Customer Contract.

"**Excluded Liabilities**" has the meaning given such term in Section 2.6.

"Existing NDA" means that certain Mutual Nondisclosure Agreement dated August 15, 2014, by and between ACS and GCI, as amended.

"**FCC**" means the Federal Communications Commission.

"**Federal Trade Commission Act**" means title 15 of the United States Code §§ 41-58.

"**Fine**" has the meaning given such term in Section 11.3(d).

"**Fixed Wireless Replacement Service**" means the provision of fixed wireless replacement service by a member of the ACS Group to the exchanges identified by community in Exhibit N-1 of the Operating Agreement.

"**FNUA**" means the Facilities and Network Use Agreement dated July 22, 2013, by and among the Company, ACS, GCI, ACS Wireless and GCI Wireless, as amended and as modified by that certain Side Letter Agreement dated July 22, 2013 by and among the Company, ACS, GCI, ACS Wireless and GCI Wireless.

"**FTC**" has the meaning given such term in Section 7.10.

"**GAAP**" means generally accepted accounting principles in effect from time to time in the United States of America, applied on a consistent basis, or, in the absence thereof, applicable accounting principles consistent with past practices.

"**GCI**" has the meaning given such term in the Preamble.

"**GCI Parent**" has the meaning given such term in the Preamble.

"**GCI Wireless**" has the meaning given such term in the Preamble.

"**Governmental Authority**" any government or any arbitrator, tribunal or court of competent jurisdiction, administrative agency, board, department or commission, legislative body or other governmental authority or instrumentality (in each case whether Federal, state, local,

foreign, international or multinational) or entity which lawfully assumes the powers and functions of the same (including any taxing or other revenue collecting authority or other body).

"**Governmental Consents**" means those Consents of Governmental Authorities required for the Transactions that are listed in Schedule 4.5 as "Governmental Consents."

"**Hazardous Substance**" means any pollutant, contaminant, hazardous or toxic substance, material, constituent or waste that is defined, labeled or regulated as such by any Governmental Authority, or for which liability or standards of care are imposed, pursuant to an Environmental Law and includes asbestos and asbestos-containing materials and any material or substance that is: (a) designated as a "hazardous substance" pursuant to 33 U.S.C. § 1317; (b) defined as a "hazardous waste" pursuant to 42 U.S.C. § 6903; (c) defined as a "hazardous substance" pursuant to Section 101 of CERCLA; or (d) is so designated or defined under any other applicable Legal Requirements.

"**HSR Act**" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"**Indemnifier**" has the meaning given such term in Section 11.2.

"**Independent Accountant**" has the meaning given such term in Section 2.3(h)(iii).

"**Information**" has the meaning given such term in Section 7.9.

"**Information Protection Terms**" means the confidentiality procedures as mutually agreed to by ACS and GCI to prevent disclosure to unauthorized persons prior to Closing.

"**Instrument of Assignment**" means the Instrument of Assignment substantially in the form of Exhibit A.

"**Instrument of Assumption**" means the Instrument of Assumption substantially in the form of Exhibit B.

"**Intellectual Property**" means all rights and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including copyrights, copyright licenses, patents, patent licenses, patent applications, proprietary information, know how and processes of a member of the ACS Group and used in the conduct of the ACS Wireless Activities, other than trademarks and service marks of ACS.

"**Internal Subscriber**" means any Person who receives Wireless services through the ACS Group, and has no payment obligations with respect to such authorized services, (a) who is a director, officer, employee or consultant of a member of the ACS Group or any of its Affiliates, (b) for demonstration purposes in the ACS Group's (or its Affiliates') retail stores or (c) for other internal uses or purposes of the ACS Group or its Affiliates.

"**IP License Agreements**" means the Trademark License Agreement and the License Agreement substantially in the forms attached as Exhibit J.

"**IRU**" means an indefeasible right of use.

"**Knowledge**" when used with respect to (i) ACS, means the actual knowledge of any fact, circumstance or condition of those officers of ACS set forth on Exhibit D and (ii) GCI, means the actual knowledge of any fact, circumstance or condition of those officers of GCI Parent set forth on Exhibit E, and, in each case, the knowledge that such officers would have had if such officers had conducted a reasonable inquiry.

"**Leased Property**" means, to the extent constituting real property, all the buildings, fixtures, other improvements, leasehold interests, easements, licenses, rights to access, right-of-way and other real property interests which are leased by a member of the ACS Group and used in the conduct of the ACS Wireless Activities at the sites of the Offered Leases, in each case other than any Excluded Assets.

"**Leased Property Schedule**" means the separate Leased Property Schedule heretofore agreed to by ACS and GCI.

"**Leases**" means all leases for retail stores used in the conduct of the ACS Wireless Activities to which a member of the ACS Group is a party.

"**Legal Requirements**" means applicable common law and any applicable statute, ordinance, code or other law, rule, regulation, order, technical or other standard, requirement or procedure enacted, adopted, promulgated or applied by any Governmental Authority, including any applicable order, decree or judgment which may have been handed down, adopted or imposed by any Governmental Authority.

"**Licenses**" means all domestic wireless, business radio and other FCC licenses, and any pending applications therefor granted to a member of the ACS Group by the FCC in connection with the ACS Assets or the ACS Wireless Activities, and all other licenses, certifications, registrations, authorizations and permits and any pending applications therefor, issued to such Person or any of its Affiliates by any Governmental Authority that are used in the conduct of the ACS Wireless Activities, other than, in each case, FCC licenses and other licenses, authorizations and permits and any pending applications therefor related to IRU or capacity purchases.

"**Liens**" means all claims, charges, restrictions, mortgages, pledges, security interests, liens or other encumbrances of any nature whatsoever (whether absolute, accrued, contingent or otherwise).

"**Lifeline Subscribers**" means Wireless subscribers receiving service from ACS or its Affiliates under ACS's Lifeline Wireless Phone program**.**

"**M2M Connections**" means machine to machine connections for which ACS provides Wireless services, including OnStar and ProCon connections.

"**Material Consents**" means the Consents designated in Schedule 4.5 as "Material Consents."

"**Network Information**" means that information listed in Schedule 9.2.

"**Non-Election Notice**" has the meaning given such term in Section 7.8(a).

"**Nonqualifying Subscribers**" means, for purposes of determining the Subscriber Adjustment, each of the following: (a) any Subscriber any portion of whose Wireless account has been outstanding more than 60 days from date of billing as of the date of determination; (b) any Lifeline Subscriber who has not been certified or recertified in 2014; (c) any Prepaid Subscriber who has not, within 60 days before the date of determination of the number of Actual Prepaid Subscribers (i) had voice or data usage or (ii) added money to such Prepaid Subscriber's account balance; (d) OnStar Subscribers; and (e) Subscribers for which (i) Consent is required to transfer and assign its Subscriber Contract and (ii) such Consent is not obtained, and, if such Subscriber Contract is listed on the Subscriber Contract Consent List, GCI has delivered a Non-Election Notice with respect to such Subscriber Contract pursuant to Section 7.8(a).

"**Offered Leases**" means those leases listed in the Leased Property Schedule.

"**Omnibus Amendment Agreement**" means the Omnibus Amendment Agreement substantially in the form of Exhibit K.

"OnStar Subscribers" means customers in the State of Alaska subscribing to the OnStar service that are provided Wireless service by the ACS Group, whether directly or through a contract with Verizon.

"**Operating Agreement**" means the First Amended and Restated Operating Agreement of the Company dated July 22, 2013, by ACS, ACS Wireless, GCI Parent, GCI Wireless and the Company, as amended as of the date hereof.

"**Outside Date**" has the meaning given such term in Section 10.1(d).

"**Parent**" means either ACS or GCI Parent as the context requires and references to the other Parent mean, with respect to ACS, ACS Wireless or ACS Group, GCI Parent, and with respect to GCI, GCI Parent or GCI Wireless, ACS.

"**Parties**" means ACS, ACS Wireless, GCI, GCI Wireless and the Company and a "Party" means any such Person.

"**Permitted Liens**" means:

(a) Liens for Taxes not yet due and payable;

(b) Mechanics', carriers', workmen's, warehousemen's, landlord's, repairmen's or other like Liens arising or incurred in the ordinary course of business consistent with past practice that secure obligations not yet due;

(c) (A) easements, rights of way, zoning ordinances, building and other similar restrictions of record and Liens affecting Leased Property and any conditions that may be shown by a current, accurate survey or physical inspection made before the Closing, (B) Liens that have been placed by any developer, landlord or other Third Party on property over which easement rights

have been granted or on any Leased Property and subordination or similar agreements relating thereto and (C) unrecorded easements, covenants, rights of way and other similar restrictions, in each case that are not, individually or in the aggregate, material to the ACS Wireless Activities or the ACS Assets, which do not prohibit or interfere with the current operation of any Leased Property;

(d) Deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business to the extent such deposits constitute ACS Assets;

(e) Pledges and deposits made in the ordinary course of business in compliance with any Legal Requirements and Liens arising by statute in connection with worker's compensation, unemployment insurance, old age benefits, social security obligations, taxes, assessments, statutory obligations or other similar charges, good faith cash deposits in connection with tenders, contracts or leases to which such Person is a party or other cash deposits in any such foregoing case that is required to be made in the ordinary course of business, *provided* in each case that the obligation is not for borrowed money and that the obligation secured is not overdue or, if overdue, is being contested in good faith by appropriate proceedings which prevent enforcement of the matter under contest and adequate reserves have been established therefor;

(f) Imperfections of title or encumbrances that, individually or in the aggregate, do not impair materially, and would not reasonably be expected to impair materially, the continued use and operation of the ACS Assets to which they relate in the conduct of the ACS Wireless Activities in substantially the manner as presently conducted;

(g) With respect to the ACS AWN Interest, all restrictions, obligations and liabilities with respect thereto set forth in the Operating Agreement; and

(h) Existing third party IRUs listed on Schedule 1.1(b).

"**Person**" means any natural person, corporation, general or limited partnership, limited liability company, joint venture, trust, association, unincorporated entity of any kind, or a Governmental Authority.

"**Post-Close Systems**" has the meaning given such term in Exhibit A to the A&R ACS Services Agreement.

"**Post-Closing Adjustment**" has the meaning given such term in Section 2.3(g).

"**Postpaid Subscribers**" means all subscribers of the ACS Group with respect to ACS Wireless Activities in the State of Alaska (which for the avoidance of doubt includes Lifeline Subscribers and M2M Connections) other than Prepaid Subscribers.

"**Prepaid Subscribers**" means all subscribers purchasing or receiving prepaid Wireless services from the ACS Group, as determined in accordance with past practices of ACS for public reporting purposes, consistently applied.

"**Proceeding**" means any suit, action, proceeding, arbitration, audit, hearing, or investigation (in each case, whether civil, criminal, administrative, investigative, or informal) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Authority.

"**Provider**" has the meaning given such term in Section 7.9.

"**Purchase Price**" has the meaning given such term in Section 2.2.

"**RCA**" means the Regulatory Commission of Alaska.

"**Receiver**" has the meaning given such term in Section 7.9.

"**Resolution Period**" has the meaning given such term in Section 2.3(h)(ii).

"**Restricted Wireless Business**" means the business of (a) engineering, operating and maintaining competitive Wireless network(s) in the State of Alaska, and (b) providing Wireless products (including Wireless devices) and services in the State of Alaska on any basis (retail or wholesale), including entering into Wireless roaming agreements. The Restricted Wireless Business does not include (i) Fixed Wireless Replacement Services, whether provided pursuant to the Telular Agreement or otherwise, regardless of who provides such services, (ii) WiFi, (iii) Wireless Internet service provider (WISP) services, (iv) commercial services provided by ACS to customers under Excluded Business Customer Contracts, to the extent and for the period that ACS is permitted to retain such customers, (v) engineering, providing or maintaining competitive Wireless backhaul and transport services for the benefit of Wireless carriers serving the Alaska market or (vi) providing competitive cell site leases.

"**Review Period**" has the meaning given such term in Section 2.3(h)(i).

"**SEC**" means the U.S. Securities and Exchange Commission.

"**Securities Act**" means the Securities Act of 1933, as amended.

"**Sherman Act**" means title 15 of the United States Code §§ 1-7.

"**Signing Date**" has the meaning given such term in the Preamble.

"**Specified Consents**" means the Consents set forth on Schedule 1.1(a).

"**Statement of Estimates**" has the meaning given such term in Section 2.3(e).

"**Statement of Objections**" has the meaning given such term in Section 2.3(h)(ii).

"**Subscriber Adjustment**" means an amount (if any) equal to the sum of (i)(A) $350 *multiplied by* (B) the absolute difference between (1) the Actual Postpaid Subscriber Count and (2) the Baseline Postpaid Subscriber Count, but only if (1) *minus* (2) is a negative number and, if such amount is a positive number, then it shall be deemed to be zero, and (ii)(A) $175 *multiplied by* (B)

the difference between (1) the Actual Prepaid Subscriber Count and (2) the Baseline Prepaid Subscriber Count, but only if (1) *minus* (2) is a negative number and if such amount is a positive number, then it shall be deemed to be zero.

"**Subscriber Adjustment Conditions**" means all conditions to the obligations of GCI and GCI Wireless at the Closing under Section 8.2 (other than Sections 8.2(f), (h), (j), (l), (m) and (n)), and the condition to the obligations of ACS and ACS Wireless that the Specified Consents shall have been obtained, *provided* that delivery of a certificate attesting to any such conditions or delivery of executed Ancillary Agreements required pursuant to Section 8.2 shall not be required to be delivered so long as ACS stands willing and able to make such deliveries.

"**Subscriber Contract Consent List**" has the meaning given such term in Section 7.8(a).

"**Subscriber Contracts**" means all Contracts for the provision of Wireless services to Subscribers, including agreements related to the provision of Wireless services to M2M Connections.

"**Subscribers**" means all active or suspended customers (commercial and consumer) of the ACS Group with respect to ACS Wireless Activities in the State of Alaska, including Postpaid Subscribers and Prepaid Subscribers, but in no event including Internal Subscribers or Telular Subscribers.

"**Target Closing Date**" means the date that is two months after the Signing Date.

"**Tax Benefit**" has the meaning given such term in Section 11.6(b).

"**Tax Return**" means, with respect to a Person, any federal, state, local or foreign tax return, report, declaration of estimated Tax payments, statement, information return or statement, or other similar filing, including any related or supporting information with respect to any of the foregoing and any amendment thereof, filed or to be filed by such Person with any taxing authority in connection with the determination, assessment, collection or administration of any Taxes.

"**Tax Savings**" has the meaning given such term in Section 11.6(b).

"**Taxes**" means (a) all Federal, state, county, local, municipal, foreign and other taxes, assessments, duties fees, regulatory impositions, price support impositions or similar charges of any kind whatsoever, including all franchise, capital, income, sales, use, ad valorem, receipts, value added, profits, license, withholding, payroll, employment, excise, premium, property, customs, net worth, capital gains, transfer, stamp, documentary, social security, environmental, alternative minimum, occupation, recapture gross receipts, universal service, recovery and other taxes and levies, and including all interest, penalties and additions imposed with respect to such amounts, and (b) any liability for any amounts described in clause (a) under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local, or foreign law), or as a transferee or co-vendor, agent, responsible person, by contract, by operation of law or otherwise.

"**Telular Agreement**" means the Fixed Wireless Replacement Services Agreement substantially in the form of Exhibit G.

"**Telular Subscribers**" means customers purchasing only Fixed Wireless Replacement Services from any member of the ACS Group and no other Wireless services.

"**Third Party**" means any Person that is not a member of the ACS Group or any Affiliate thereof, the Company or any Affiliate thereof, GCI or any Affiliate thereof, or an officer or director of any of the foregoing.

"**Transaction Opinion**" means an opinion from a nationally recognized valuation or investment banking firm approved by GCI Parent in its reasonable discretion, addressed to GCI Parent opining that the Purchase Price to be paid for the consideration for the ACS Assets and the ACS AWN Interest represents at least reasonably equivalent value for such assets, as of the Closing Date.

"**Transactions**" means the transactions contemplated by this Agreement and the Ancillary Agreements.

"**Transition Completion Date**" means the date on which the Transition Completion (as defined in the Transition Support Agreement) occurs.

"**Transition Contracts**" means the Movius Contract and the R.I.M./Blackberry Contract.

"**Transition Services Agreement**" means the Transition Services Agreement substantially in the form attached as Exhibit I.

"**Transition Support Agreement**" means the Transition Support and Pre-Closing Confidentiality Agreement.

"**Treasury Regulations**" means the Treasury regulations promulgated under the Code.

"**Undisputed Amounts**" has the meaning given such term in Section 2.3(h)(iii).

"**Union**" has the meaning given such term in Section 4.11.

"**USAC**" means the Universal Service Administrative Company.

"**WARN Act**" has the meaning given such term in Section 7.5(c).

"**WiFi**" means any wireless local area network technology that is based on the Institute of Electrical and Electronics Engineers' (IEEE) 8.02.11 standards.

"**Wireless**" means (a) Commercial Mobile Radio Services (as defined by the Communications Act and the rules and regulations thereunder), (b) WiFi and (c) any additional mobile voice, text messaging and data products and services provided over wireless spectrum

licensed or authorized for use by the FCC other than, in the case of clause (c), any such products or services provided by satellite directly to Wireless devices.

"**2012 Purchase and Contribution Agreement**" means the Asset Purchase and Contribution Agreement dated as of June 4, 2012 by and among ACS, ACS Wireless, GCI Parent, GCI Wireless and the Company.

1.2 Clarifications. Words used in this Agreement, regardless of the gender and number specifically used, shall be deemed and construed to include any other gender and any other number as the context requires. As used in this Agreement, the word "including" shall be deemed to be followed by the words "without limiting the generality of the foregoing", and the word "or" has the inclusive meaning of "and/or". Except as specifically otherwise provided in this Agreement in a particular instance, a reference to a Section, Exhibit or Schedule is a reference to a Section of this Agreement or an Exhibit or Schedule hereto, and the terms "hereof," "herein," and other like terms refer to this Agreement as a whole, including the Exhibits and Schedules to this Agreement, and not solely to any particular part of this Agreement. The descriptive headings in this Agreement are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the Party drafting an instrument or causing any instrument to be drafted.

SECTION 2. AGREEMENT TO PURCHASE AND SELL; PURCHASE PRICE

2.1 Purchase and Sale of Assets.

(a) [Intentionally Omitted]

(b) Subject to the terms and conditions set forth in this Agreement, at the Closing or, with respect to the Transition Contracts, on the Transition Completion Date and, with respect to the Assumed Leases, on the Assumed Leases Assumption Date, ACS shall cause one or more applicable members of the ACS Group to sell, assign, transfer, convey and deliver to GCI or an Affiliate of GCI designated by GCI, and GCI and any such Affiliate shall purchase from such members of the ACS Group, the ACS Assets, free and clear of any Liens (except for Permitted Liens), and without the creation of any successor or derivative liability by operation of law or otherwise, such sale, assignment, transfer conveyance and delivery to be effected by execution and delivery of the Instrument of Assignment. The ACS Assets are the following:

(i) ACS Subscriber Assets:

(1) All Assumed Contracts not included in the CDMA Core Assets, including any deposits or prepayments made thereunder;

(2) All Accounts Receivable (for the avoidance of doubt, whether or not constituting Eligible Accounts Receivable);

(3) Proprietary training materials primarily used in connection with the ACS Wireless Activities;

(4) All Leased Property leased pursuant to the Assumed Leases; and

(5) The Operating Company Number (OCN) 6304 assigned by NECA to ACS Wireless.

(ii) ACS Network Assets:

(1) All Drop Circuits;

(2) The CDMA Core Assets;

(3) The Network Information; and

(4) The Dedicated Microwave Circuits, other than Dedicated Microwave Circuits that were transferred to the Company pursuant to the 2012 Purchase and Contribution Agreement.

(iii) Originals or, if such originals are not available, copies of all Tax Returns regarding personal property and ad valorem Taxes imposed on the ACS Assets, to the extent each relates solely to the ACS Assets; *provided*, *however*, that the ACS Group may retain copies of any such Tax Returns; and

(iv) All books and records relating to the ACS Assets (except as expressly excluded by Section 2.4(e)), including executed copies of the Assumed Contracts, all Subscriber information, and all filings or records required to be kept by the FCC; *provided*, *however*, that the ACS Group may retain copies of any such books, records, Contracts and filings and such books, records, Contracts and filings shall constitute Information provided by GCI to ACS that is not previously known by, or in the possession of, the ACS Group and is subject to the obligation to keep such Information confidential in the manner and to the extent set forth in the Confidentiality Agreement, provided that the obligation to keep such Information confidential shall be extended to the date that is five years after the Signing Date.

(c) Subject to the terms and conditions set forth in this Agreement, at the Closing, ACS Wireless shall sell, assign, transfer, convey and deliver to GCI Wireless, and GCI Wireless shall purchase from ACS Wireless, the ACS AWN Interest, free and clear of any Liens (except for Permitted Liens described in clause (g) of the definitions of Permitted Liens), such sale, assignment, transfer, conveyance and delivery to be effected by the execution and delivery of the Assignment of Ownership Interest.

2.2 Purchase Price. The aggregate purchase price for the ACS Assets and the ACS AWN Interest shall be $300 million (the " **Base Purchase Price**"), subject to adjustment as provided in Section 2.3 (as so adjusted, the "**Purchase Price**"). GCI or GCI Wireless shall pay, and GCI Parent

shall cause GCI and GCI Wireless to pay, the Purchase Price, without any deduction or withholding except as expressly permitted by this Agreement, as follows:

(a) $9 million of the Purchase Price (the "**Escrow Amount**") shall be paid at Closing to the Escrow Agent to be held in escrow pursuant to the terms and conditions of the Escrow Agreement;

(b) $3 million of the Purchase Price (the "**Deferred Payment Amount**") shall be paid to the ACS Group upon satisfaction by ACS of the delivery requirements set forth in Section 7.17;

(c) the balance of the Purchase Price (estimated as of the Closing Date as provided in Section 2.3) less the sum of the Escrow Amount and the Deferred Payment Amount shall be paid to the ACS Group on the Closing Date;

in the case of (b) and (c) by wire transfer of immediately available funds to an account or accounts designated by ACS no later than three Business Days prior to the Closing Date. The recipient or recipients of the Purchase Price designated by ACS shall be deemed to have received the Purchase Price on behalf of the selling members of the ACS Group in accordance with the Allocation Schedule.

2.3 Purchase Price Adjustments and Special Distribution. The Base Purchase Price shall be subject to adjustment in accordance with the following provisions of this Section 2.3:

(a) The Base Purchase Price shall be decreased by an amount equal to $2.4 million *multiplied by* the number of months (including partial months) during the period beginning on January 1, 2015 and ending on the Closing Date in which the Company makes interim monthly or quarterly Distributions to ACS Wireless in accordance with Section 5.5 of the Operating Agreement (the date of any such distribution, the "**Distribution Date**"); *provided, however*, that if the Closing has not occurred on or before the Target Closing Date and all ACS Closing Requirements have been satisfied or waived on or before the Target Closing Date, then the Base Purchase Price shall be decreased by an amount equal to $1.2 million (rather than $2.4 million) *multiplied by* the number of months (including partial months) during the period beginning on the Target Closing Date and ending on the Closing Date in which the Company makes Distributions to ACS Wireless as described in the preceding provisions of this sentence. For the avoidance of doubt, the first month in the period specified in the preceding sentence will be January 2015 if the Company makes a Distribution to ACS Wireless during such month that relates to the prior month (i.e., December 2014).

(b) If the Closing Date occurs on a day after the Distribution Date in January 2015, ACS Wireless shall receive, from the Company immediately prior to the Closing, a special Distribution from the Company in an amount equal to the product of (i) the number of days between the most recent Distribution Date and the Closing Date (including the Closing Date but not including the most recent Distribution Date), (ii) .0333 and (iii) $1.766 million; and the amount of such Distribution pursuant to this Section 2.3(b) shall in no event exceed $1.766 million. For the avoidance of doubt, the amount of such Distribution pursuant to this Section 2.3(b) resets to $-0- on each Distribution Date. For the avoidance of doubt, the Distribution provided for under this

Section 2.3(b) will not be considered an adjustment to the Base Purchase Price. Subject to the foregoing, the Company agrees that it will not make a Distribution prior to the date that such Distribution is required to be made pursuant to the provisions of the Operating Agreement.

(c) The Base Purchase Price shall be decreased by the amount of the Estimated Subscriber Adjustment.

(d) The Base Purchase Price shall be (i) increased by the amount of Estimated Eligible Accounts Receivable and (ii) decreased by the sum of the amounts of the Estimated AWN Account Payable and the Estimated Assumed Subscriber Liabilities.

(e) At least two Business Days before the Closing Date, ACS shall prepare and deliver to GCI a statement (the "**Statement of Estimates**") setting forth its good faith estimate of:

(i) the Subscriber Adjustment estimated as of the Closing Date or such other applicable date as provided in the definition of Subscriber Adjustment (the "**Estimated Subscriber Adjustment**"), which statement shall contain a calculation of the Estimated Subscriber Adjustment and a detailed report showing the Actual Postpaid Subscriber Count and the Actual Prepaid Subscriber Count, and a certificate of a financial officer of ACS that the Estimated Subscriber Adjustment was prepared in accordance with any applicable past practices of ACS for public reporting purposes, using the same methods, practices, principles, policies and procedures, with consistent classifications, judgments and methodologies;

(ii) Eligible Accounts Receivable estimated as of the Closing Date (the "**Estimated Eligible Accounts Receivable**"), which statement shall contain a calculation of Estimated Eligible Accounts Receivable and accounts receivable aging detail for each account, and a certificate of a financial officer of ACS that the Estimated Eligible Accounts Receivable was prepared in accordance with GAAP applied using the same accounting methods, practices, principles, policies and procedures, with consistent classifications, judgments and valuation and estimation methodologies that were used in the preparation of the audited financial statements of ACS for the most recent fiscal year end;

(iii) the Assumed Subscriber Liabilities estimated as of the Closing Date (the "**Estimated Assumed Subscriber Liabilities**"), which statement shall contain a calculation of Estimated Assumed Subscriber Liabilities and a report showing the amount of deferred revenue derived from the financial reporting system with sufficient detail to establish the allocation of such deferred revenue and its appropriate Subscribers, and a certificate of a financial officer of ACS that the Estimated Assumed Subscriber Liabilities was prepared in accordance with GAAP applied using the same accounting methods, practices, principles, policies and procedures, with consistent classifications, judgments and valuation and estimation methodologies that were used in the preparation of the audited financial statements of ACS for the most recent fiscal year end; and

(iv) the AWN Account Payable estimated as of the Closing Date (the "**Estimated AWN Account Payable**"), which statement shall contain a calculation of Estimated AWN Account Payable and a detailed report showing the amount of retail revenue for traditional postpaid plans and services for the relevant periods and such details and such other information as

is required under the FNUA with respect to postpaid and other plan fees and charges, and a certificate of a financial officer of ACS that the Estimated AWN Account Payable was prepared in accordance with GAAP applied using the same accounting methods, practices, principles, policies and procedures, with consistent classifications, judgments and valuation and estimation methodologies that were used in the preparation of the audited financial statements of ACS for the most recent fiscal year end.

(f) If, within 60 days after the Closing Date, GCI gives written notice to ACS that it accepts the calculations of Estimated Eligible Accounts Receivable, Estimated Assumed Subscriber Liabilities, Estimated AWN Account Payable or Estimated Subscriber Adjustment as set forth in the Statement of Estimates (or fails to provide ACS with written notice within such 60 day period that it does not accept any calculation set forth in the Statement of Estimates), then such calculations shall be accepted and agreed in the form delivered in the Statement of Estimates and no Post-Closing Adjustment shall be made with respect to the Estimated Eligible Accounts Receivable, Estimated Assumed Subscriber Liabilities, Estimated AWN Account Payable or Estimated Subscriber Adjustment, as the case may be. If GCI does not accept the Statement of Estimates with respect to one or more of the Estimated Eligible Accounts Receivable, Estimated Assumed Subscriber Liabilities, Estimated AWN Account Payable or Estimated Subscriber Adjustment, then within 60 days after the Closing Date, GCI shall prepare and deliver to ACS a statement setting forth its calculation of the Purchase Price adjustments not accepted by GCI (the "**Closing Calculation Statement**") which statement shall contain the same details as required in Sections 2.3(e)(i), (ii), (iii) and (iv) and a certificate of an authorized officer of GCI Parent that the applicable calculations were prepared in accordance with GAAP (to the extent applicable) applied using the same accounting methods, practices, principles, policies and procedures, with consistent classifications, judgments and valuation and estimation methodologies that were used in the preparation of the audited financial statements of ACS for the most recent fiscal year end. During this 60 day period, GCI shall have full access to the books and records of ACS and its Affiliates, the personnel of, and work papers prepared by, ACS, its Affiliates and/or their respective accountants to the extent that they relate to the calculation of the Estimated Subscriber Adjustment, Estimated Eligible Accounts Receivable, Estimated Assumed Subscriber Liabilities or the Estimated AWN Account Payable and to such historical financial information (to the extent in such Person's possession) relating to such calculations as GCI may reasonably request (at reasonable times) for the purpose of reviewing the calculations and to prepare the Closing Calculation Statement; *provided*, *however*, that such access shall be in a manner that does not interfere with the normal business operations of ACS or its Affiliates.

(g) Subject to Section 2.3(h), if (i) the Purchase Price as adjusted to account for the amount of the Estimated Subscriber Adjustment, Estimated Eligible Accounts Receivable, the Estimated Assumed Subscriber Liabilities and the Estimated AWN Account Payable exceeds (ii) the Purchase Price as adjusted to account for the amounts of the Subscriber Adjustment, Eligible Accounts Receivable, Assumed Subscriber Liabilities and AWN Account Payable accepted by GCI or set forth in the Closing Calculation Statement, as applicable, then ACS shall pay to GCI an amount equal to such excess. If (i) the Purchase Price as adjusted to account for the amounts of the Subscriber Adjustment, Eligible Accounts Receivable, Assumed Subscriber Liabilities and AWN Account Payable accepted by GCI or set forth in the Closing Calculation Statement, as applicable,

exceeds (ii) the Purchase Price as adjusted to account for the amount of the Estimated Subscriber Adjustment, Estimated Eligible Accounts Receivable, Estimated Assumed Subscriber Liabilities and Estimated AWN Account Payables, then GCI shall pay to ACS an amount equal to such excess. The amount payable pursuant to this Section 2.3(g) is referred to as the "**Post-Closing Adjustment**".

(h) (i) Examination. After receipt of the Closing Calculation Statement, ACS shall have 30 days (the "**Review Period**") to review the Closing Calculation Statement. During the Review Period, ACS shall have full access to the books and records of GCI, the personnel of, and work papers prepared by, GCI, its Affiliates and/or their respective accountants to the extent that they relate to the Closing Calculation Statement and to such historical financial information (to the extent in such Person's possession) relating to the Closing Calculation Statement as ACS may reasonably request (at reasonable times) for the purpose of reviewing the Closing Calculation Statement and to prepare a Statement of Objections (defined below), *provided*, *however*, that such access shall be in a manner that does not interfere with the normal business operations of GCI or its Affiliates.

(ii) Objection. On or prior to the last day of the Review Period, ACS may object to the Closing Calculation Statement by delivering to GCI a written statement setting forth objections of ACS in reasonable detail, indicating each disputed item or amount and the basis for ACS's disagreement therewith (the "**Statement of Objections**"). If ACS fails to deliver the Statement of Objections before the expiration of the Review Period, the Closing Calculation Statement and the Post-Closing Adjustment, as the case may be, shall be deemed to have been accepted by ACS. If ACS delivers the Statement of Objections before the expiration of the Review Period, GCI and ACS shall negotiate in good faith to resolve such objections within 30 days after the delivery of the Statement of Objections (the "**Resolution Period**"), and, if the same are so resolved within the Resolution Period, the Post-Closing Adjustment and the Closing Calculation Statement with such changes as may have been previously agreed in writing by GCI and ACS, shall be final and binding.

(iii) Resolution of Disputes. If ACS and GCI fail to reach an agreement with respect to all of the matters set forth in the Statement of Objections before expiration of the Resolution Period (any amounts remaining in dispute, "**Disputed Amounts**" and any amounts not so disputed, the "**Undisputed Amounts**"), then GCI and ACS shall appoint by mutual agreement the office of an impartial nationally recognized firm of independent certified public accountants other than GCI's accountants or ACS's accountants (the "**Independent Accountant**") who, acting as experts and not arbitrators, shall resolve the Disputed Amounts only and make any adjustments to the Post-Closing Adjustment. If GCI and ACS are unable to so select the Independent Accountant within 20 days after the end of the Resolution Period, the American Arbitration Association shall make such selection. The Parties agree that all adjustments shall be made without regard to materiality. The Independent Accountant shall only decide the specific items under dispute by the Parties and their decision for each Disputed Amount must be within the range of values assigned to each such item in the Closing Calculation Statement and the Statement of Objections, respectively.

(iv) Fees of the Independent Accountant. The fees and expenses of the Independent Accountant shall be paid by ACS, on the one hand, and by GCI, on the other hand,

based upon the percentage that the amount actually contested but not awarded to ACS or GCI, respectively, bears to the aggregate amount actually contested by ACS and GCI.

(v) Determination by Independent Accountant. The Independent Accountant shall make a determination as soon as practicable within 30 days (or such other time as the Parties shall agree in writing) after their engagement, and their resolution of the Disputed Amounts and their adjustments to the Closing Calculation Statement shall be conclusive and binding upon the Parties.

(vi) Payments of Post-Closing Adjustment. Except as otherwise provided herein, any payment of the amounts set forth in Section 2.3(g) in respect of the Post-Closing Adjustment, together with interest calculated as set forth below, shall (A) be due (x) within ten Business Days of acceptance of the applicable Closing Calculation Statement or (y) if there are Disputed Amounts, then, with respect to any Undisputed Amounts, within ten Business Days of the agreement with respect to such Undisputed Amounts and, with respect to Disputed Amounts, within ten Business Days of the resolution described in clause (v) above; and (B) be paid by wire transfer of immediately available funds to such account as is directed by GCI or ACS, as the case may be. The Post-Closing Adjustment shall bear interest from and including the Closing Date to but excluding the date of payment at a rate per annum equal to 10%. Such interest shall be calculated daily on the basis of a 365 day year and the actual number of days elapsed.

(i) For purposes of this Section 2.3, the methods, practices, principles, policies and procedures for the calculation of amounts pursuant to this Section 2.3 shall be as set forth on Schedule 2.3 for the respective Purchase Price adjustment as specified on such Schedule.

2.4 Excluded Assets. The ACS Assets being sold hereunder shall exclude the following assets:

(a) Each member of the ACS Group's cash on hand as of the Closing Date and all other cash and cash equivalents in any member of the ACS Group's bank, savings or other depository accounts; any and all letters of credit or other similar items; and any stocks, bonds, certificates of deposit and similar investments;

(b) Any Contracts other than the Assumed Contracts, including the Excluded Business Customer Contracts as set forth on Schedule 2.4;

(c) Any Contract for which a Non-Election Notice is delivered by GCI pursuant to Section 7.8(a);

(d) Any handset and accessory inventory, except as otherwise provided in any Ancillary Agreement;

(e) Any books and records that ACS is required by any Legal Requirement to retain (subject to the right of GCI to access and to copy for a period of three years after the Closing Date), and the corporate minute books and other books and records related to internal corporate matters of any member of the ACS Group;

(f) Any claims, rights and interest in and to any refunds of federal, state or local income or other Taxes, fees or assessments for periods (or portions thereof) ending on or prior to the Closing Date or otherwise relating to the Excluded Assets, Excluded Liabilities or any other Tax for which ACS is liable pursuant to Section 7.3;

(g) All judgments, choses in action or Proceedings of the ACS Group relating to the ownership or operation of the ACS Assets or conduct of the ACS Wireless Activities prior to the Closing Date;

(h) All Employee Plans, Compensation Arrangements and employment agreements of any member of the ACS Group;

(i) The account books of original entry, general ledgers, and financial records except to the extent specifically identified in Section 2.1(b)(iv);

(j) Medical records and personnel records to the extent required by Legal Requirements;

(k) Insurance policies and rights and claims thereunder;

(l) All Tax Returns and all supporting documentation for such Tax Returns, except to the extent specifically identified in Section 2.1(b)(iii);

(m) All Intellectual Property;

(n) All right and assets (other than Drop Circuits) primarily used to provide wireline services;

(o) All real property other than the Leased Property leased pursuant to the Assumed Leases;

(p) All WiFi equipment and DSL routers;

(q) All voicemail hardware and software other than Assumed Contracts;

(r) All vehicles;

(s) All office furniture, office fixtures, office appliances and office equipment other than the Leased Property leased pursuant to the Assumed Leases;

(t) All inventory other than inventory included in the CDMA Core Assets;

(u) Any right or asset used by any member of the ACS Group to provide local exchange services under the Communications Act;

(v) Any right or asset used by any member of the ACS Group to provide any service under the Transition Services Agreement

(w) All assets located in the ACS Group's (or its Affiliates') retail stores that are not required, pursuant to the applicable Lease, to remain in such stores upon the expiration or termination of such Lease; and

(x) The assets set forth on Schedule 2.4.

2.5 Assumed Liabilities. Upon the terms and subject to the conditions of this Agreement, GCI or GCI Wireless, as applicable, shall assume, effective as of the Closing or, with respect to the Transition Contracts, on the Transition Completion Date and, with respect to the Assumed Leases, on the Assumed Leases Assumption Date, and from and after the Closing, the Transition Completion Date or the Assumed Leases Assumption Date, as applicable, GCI or GCI Wireless, as applicable, shall pay, perform and discharge when due, all the following liabilities, obligations and commitments of the ACS Group (the "**Assumed Liabilities**"), such assumption to be evidenced where appropriate by execution and delivery of an Instrument of Assumption, other than any Excluded Liabilities:

(a) All liabilities, obligations and commitments under the Assumed Contracts to the extent accruing and related to the period after Closing; and

(b) All liabilities, obligations and commitments with respect to the ownership of the ACS AWN Interest to the extent accruing and related to the period after Closing.

2.6 Excluded Liabilities. Neither GCI nor GCI Wireless shall assume or be obligated to pay, perform or otherwise discharge any liability or obligation of the ACS Group, whether direct or indirect, known or unknown, absolute or contingent, not expressly assumed by GCI or GCI Wireless pursuant to Section 2.5 (all such liabilities and obligations not being assumed being herein called the "**Excluded Liabilities**") and, notwithstanding anything to the contrary in Section 2.5 or by operation of law or otherwise, none of the following shall be Assumed Liabilities for purposes of this Agreement:

(a) Any liabilities in respect of Taxes for which any member of the ACS Group is liable for periods ending as of the effectiveness of the Closing;

(b) Any costs and expenses incurred by the ACS Group in connection with the Transactions, including in connection with its negotiation and preparation of this Agreement and the Ancillary Agreements and its performance and compliance with the agreements and conditions contained herein and therein;

(c) Any liabilities, obligations or commitments in respect of any Excluded Assets;

(d) Any liabilities, obligations or commitments in respect of any Proceedings to which the ACS Group is a party prior to the Closing;

(e) Any liabilities, obligations or commitments in respect of employees of the ACS Wireless Activities;

(f) Any liabilities, obligations or commitments resulting from any Environmental Claims (regardless of whether any representation or warranty contained in Section 4.8 is incorrect) related to the ownership or operation of the ACS Assets related to the period prior to the Effective Time;

(g) Any liabilities, obligations or commitments in respect of any universal service support received from the federal or Alaska Universal Service Funds with respect to ACS Wireless Activities prior to the Closing;

(h) Any liabilities, obligations or commitments owed to or claimed by USAC or the FCC pursuant to the federal Lifeline program with respect to ACS Wireless Activities prior to Closing or with respect to the obligation to report line counts and other information to USAC, including any forfeitures, fines or monetary judgments; and

(i) Any liabilities, obligations or commitments resulting from any member of the ACS Group failing to comply with any Legal Requirements with respect to ACS Wireless Activities prior to Closing.

SECTION 3. REPRESENTATIONS AND WARRANTIES REGARDING ACS AND ACS WIRELESS

Each of ACS and ACS Wireless, jointly and severally, represents and warrants to GCI and GCI Wireless, as of the date hereof and as of the Closing Date except insofar as such representations and warranties are made as of the date hereof or any other specified date (in which case as of such date), as follows:

3.1 Organization, Standing and Authority. Such Person is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and such Person is duly qualified to conduct business in all such foreign jurisdictions in which such qualification is necessary for its conduct of the ACS Wireless Activities and to hold the ACS AWN Interest. Such Person and its Affiliates have all requisite power (i) to own, lease, and use the ACS Assets as presently owned, leased, and used, (ii) to conduct the ACS Wireless Activities as presently conducted, (iii) to hold the ACS AWN Interest, and (iv) to execute, deliver, and perform this Agreement and the documents contemplated hereby according to their respective terms. Neither such Person nor any of its Affiliates is a participant in any joint venture or partnership with any other Person with respect to any part of the ACS Wireless Activities or the ACS Assets.

3.2 Authorization and Binding Obligation. The execution, delivery and performance of this Agreement and the Ancillary Agreements by such Person have been duly authorized by all necessary corporate action on the part of such Person. No approval or consent from any of its shareholders is required for such Person to execute, deliver or perform this Agreement or the Ancillary Agreements or to consummate the Transactions. This Agreement has been duly executed and delivered by such Person and constitutes its legal, valid, and binding obligation, enforceable against it in accordance with its terms, except to the extent such enforceability may be limited by the Enforceability Exceptions.

3.3 Absence of Conflicting Agreements. Subject to obtaining the Consents, the execution, delivery and performance of this Agreement and the Ancillary Agreements (with or without the giving of notice, the lapse of time, or both): (i) does not require the consent of any Person; (ii) will not conflict with any provision of the organizational documents of such Person; (iii) will not conflict with, result in a breach of, or constitute a default under, any applicable Legal Requirements; (iv) will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of, any material agreement, instrument, license or permit to which such Person is a party or by which such Person may be bound; and (v) will not create any Lien upon the ACS Assets or the ACS AWN Interest.

3.4 Claims and Legal Actions. Except as set forth in Schedule 3.4, there is no material Proceeding, or any order, decree or judgment, in progress or pending, or to the Knowledge of such Person, threatened, against or relating to such Person or any of its Affiliates relating to the ACS Assets, the ACS Wireless Activities or the ACS AWN Interest, or to such Person's performance of its obligations under this Agreement or the consummation of the Transactions. To the best of such Person's Knowledge there are no pending written complaints by customers or other users of such Person's or any of its Affiliates' services that, individually or in the aggregate, would reasonably be expected to materially and adversely affect the ACS Assets, the financial condition of the ACS Wireless Activities or the ACS AWN Interest. Other than requests described in Schedule 3.4, no written requests have been received by such Person or any of its Affiliates during the preceding two year period from the FCC, any state regulatory authority or other Governmental Authority or any other Person challenging or questioning the right of such Person or its Affiliates to conduct the ACS Wireless Activities.

3.5 Compliance with Laws. Except as set forth in Schedule 3.5, such Person and its Affiliates have complied with, and to such Person's Knowledge, the ACS Wireless Activities and the ACS Assets are in compliance with, in all material respects, all applicable Legal Requirements and such Person and its Affiliates have not received any notice of any claim that such Person or any of its Affiliates is not in compliance with any applicable Legal Requirements, in each case, except where such noncompliance would not reasonably be expected to have a material impact, including the following Legal Requirements:

(a) Communications Act. The Communications Act, including FCC filing requirements, notices to subscribers and FCC equal opportunity rules;

(b) FCC Rules and Regulations. Rules and regulations of the FCC; and

(c) RCA Rules and Regulations. Rules and regulations of the RCA.

3.6 Solvency. After giving effect to the Transactions, such Person and each of its Affiliates that is transferring any of the ACS Assets or the ACS AWN Interest pursuant to this Agreement is solvent and each shall: (a) be able to pay its debts as they become due; (b) own property that has a fair saleable value greater than the amounts required to pay its debts (including a reasonable estimate of the amount of all contingent liabilities); and (c) have adequate capital to carry on its business. No transfer of property is being made and no obligation is being incurred in

connection with the Transactions with the intent to hinder, delay or defraud either present or future creditors of any such Person or any of its Affiliates. In connection with the Transactions, neither such Person nor any of its Affiliates has incurred, or plans to incur, debts beyond its ability to pay as they become absolute and matured.

SECTION 4. REPRESENTATIONS AND WARRANTIES REGARDING THE ACS ASSETS AND THE ACS AWN INTEREST

Each of ACS and ACS Wireless, jointly and severally, represents and warrants to GCI and GCI Wireless with respect to the ACS Wireless Activities, the ACS Assets and the ACS AWN Interest, as of the date hereof and as of the Closing Date (and to the extent related to the Transition Contracts, as of the Transition Completion Date, and to the extent related to the Assumed Leases or the Leased Property pursuant to any Assumed Leases, as of the Assumed Leases Assumption Date) except insofar as such representations and warranties are made as of the date hereof or any other specified date (in which case as of such date), as follows:

4.1 Sufficiency of Assets. Except as set forth in Schedule 4.1 and except for the Excluded Assets, the ACS Assets, together with the ACS AWN Interest and the rights, assets and services made available pursuant to the Ancillary Agreements (i) constitute all of the assets, tangible and intangible, of any nature whatsoever, necessary to conduct the ACS Wireless Activities in substantially the manner presently operated by the ACS Group and (ii) include all of the assets of such Person and its Affiliates which are used primarily in the ACS Wireless Activities.

4.2 Contracts.

(a) ACS has delivered or provided to GCI copies of all material Contracts (other than Subscriber Contracts and Contracts set forth on Schedule 4.1) required to enable the ACS Group to conduct the ACS Wireless Activities in all material respects as presently conducted. True and complete copies of all Assumed Contracts (together with all amendments thereto) other than Subscriber Contracts have been delivered to GCI. All Assumed Contracts are in full force and effect, and are in all material respects valid, binding and enforceable in accordance with their respective terms. None of the Assumed Contracts would be materially breached by virtue of the Transactions or by virtue of the assignments thereof to GCI or as otherwise contemplated by this Agreement; *provided*, *however*, that the Consents are obtained. Except as set forth in Schedule 4.2, there is not under any Assumed Contract any default by the ACS Group or any of its Affiliates or, to its Knowledge, any other party thereto, or any event which, after notice or lapse of time, or both, would constitute a material default which would give any party the right to terminate such Assumed Contract. Except as expressly set forth in Schedule 4.2, the ACS Group has not received any written notice of any intention by any party to any material Assumed Contract (i) to amend the terms thereof in a manner that would materially and adversely affect the ACS Group's rights thereunder, or to terminate such Contract, (ii) to refuse to renew the same upon expiration of its term, or (iii) to renew the same upon expiration only on terms and conditions which materially and adversely affect the ACS Group's rights thereunder.

(b) Except as set forth in Schedule 4.2, there are no Assumed Contracts in effect on the date hereof between the ACS Group or any of its Affiliates and (i) any of its Affiliates, (ii) any

of its or its Affiliates' officers, directors, shareholders, members, managers or "associates" (as defined in the Exchange Act), or (iii) any Affiliate or "associate" (as defined in the Exchange Act) of any of the Persons listed in clause (ii).

(c) ACS has delivered to GCI either the form of each type of, or the specific, Subscriber Contract (consumer and commercial) in electronic or paper form other than those that were individually negotiated. Other than those Subscriber Contracts that were individually negotiated, all Subscriber Contracts conform to the specific Contract previously delivered to GCI or one of the types of Contract forms previously delivered to GCI. All Subscriber Contracts that were individually negotiated are on terms that are commercially reasonable in light of the practices in the industry at the time such contracts were entered into and such contracts do not contain most favored nation provisions, restrictions on offerings or providing services to third parties, requirements of the service providers to make capital expenditures, prepayments for services to be provided after the Closing Date (other than as reflected in Assumed Subscriber Liabilities) or termination or expiration dates later than December 31, 2019. The Subscriber Contracts were entered into in the ordinary course of business. Upon assignment and transfer of the Subscriber Contracts to GCI under this Agreement, GCI will have the right to receive all revenue, fees, and charges associated with the Wireless services provided pursuant to such Subscriber Contracts after Closing.

4.3 Title to and Condition of Leased Property.

(a) The Leased Property Schedule lists all Leases that ACS proposes to terminate or assign.

(b) The ACS Group and its Affiliates have marketable title or leasehold interests, as the case may be, to all Leased Property free and clear of all Liens except for Liens set forth on the Leased Property Schedule and Permitted Liens.

(c) All of such Leased Property (i) is in good condition and repair (ordinary wear and tear excepted), and (ii) subject to receipt of the Consents and payment of any rent obligations in respect thereto that are not overdue, would be available for immediate use by GCI for Wireless activities, as of the applicable transfer date. All Leased Property (i) has been maintained in a manner consistent with generally accepted industry standards, and (ii) permits the ACS Wireless Activities to operate in all material respects in accordance with the terms of the Assumed Contracts and all applicable Legal Requirements as currently in effect.

4.4 Intellectual Property. Other than (i) the Intellectual Property being provided pursuant to the Ancillary Agreements and (ii) any know-how, business processes and related tools (including models and spreadsheets), there is no Intellectual Property that any member of the ACS Group uses in connection with the ACS Wireless Activities that is necessary to conduct the ACS Wireless Activities in substantially the manner presently operated by the ACS Group, other than Intellectual Property previously contributed to or otherwise acquired by the Company. To the Knowledge of ACS, the Intellectual Property licensed to GCI pursuant to the IP License Agreements, as currently used by ACS, does not infringe the Intellectual Property of any Third Party in any material respect.

4.5 Consents. Except for the Consents described in Schedule 4.5, no Consent of, or filing with, any Governmental Authority is required to permit any member of the ACS Group (i) to consummate this Agreement and the Transactions or (ii) to permit such Person to assign or transfer the ACS Assets and the ACS AWN Interest as contemplated hereby. Except for the Consents described in Schedule 4.5, no Consent with respect to an Assumed Contract (other than a Subscriber Contract) or a material Contract is required to be obtained by any member of the ACS Group (i) to consummate this Agreement and the Transactions or (ii) to permit such Person to assign or transfer the ACS Assets and the ACS AWN Interest as contemplated hereby. For purposes of this Section 4.5, a material Subscriber Contract shall mean a Subscriber Contract for more than 100 lines.

4.6 Licenses and FCC Matters. Schedule 4.6 lists all of the material Licenses required to enable the ACS Group or its Affiliates to carry on the ACS Wireless Activities as presently conducted. All material required reports of the ACS Group and its Affiliates to the FCC or RCA, including those relating to Taxes administered by the FCC, are true and correct in all material respects and have been duly filed. The ACS Group and its Affiliates have all of the material Licenses required under all applicable FCC RCA rules, regulations and orders for the operations of the ACS Wireless Activities and to receive Universal Service Support, and are licensed in all material respects to operate all of the ACS Wireless Activities required by Legal Requirements to be licensed.

4.7 Insurance and Bonds. The ACS Wireless Activities and the ACS Assets are insured against claims, loss or damage in amounts set forth in Schedule 4.7. Schedule 4.7 provides a true and complete list of all surety and performance bonds or letters of credit maintained in connection with the ACS Wireless Activities.

4.8 Environmental Law. Except as disclosed in Schedule 4.8, to the Knowledge of ACS (i) operations by the ACS Group and its Affiliates with respect to the ACS Wireless Activities comply in all material respects with all applicable Environmental Laws; (ii) the ACS Group and its Affiliates have not used any Leased Property for, and have no Knowledge that such Leased Property has previously been used for, the manufacture, transportation, treatment, storage or disposal of Hazardous Substances except for such use of Hazardous Substances (for backup power and ordinary maintenance) customary in the construction, maintenance and operation of the ACS Assets and the ACS Wireless Activities and in amounts or under circumstances that would not reasonably be expected to give rise to any material liability for remediation; and (iii) such Leased Property complies in all material respects with all applicable Environmental Laws. Except as described in Schedule 4.8, to the Knowledge of ACS, no underground storage tanks have been installed by or are used by the ACS Group or any of its Affiliates at any of its Leased Property. ACS has delivered to GCI true and complete copies of all environmental reports and studies in the possession of or reasonably available to ACS with respect to the Leased Property. The ACS Group and its Affiliates are not, to the Knowledge of ACS, the subject of (x) any "Superfund" evaluation or Proceeding in connection with its Leased Property, (y) any Proceeding of any Governmental Authority evaluating whether any remedial action is necessary to respond to any release of Hazardous Substances on or in connection with its Leased Property, or (z) any Environmental Claim.

4.9 Taxes and Tax Returns. All Tax Returns relating to the ACS Assets or the ACS Wireless Activities required to have been filed have been duly and timely filed with the appropriate

Governmental Authorities. All such Tax Returns are true, correct and complete in all material respects and properly reflect the liabilities for Taxes for the periods, property or events covered thereby. All material Taxes due and payable with respect to the ACS Assets or the ACS Wireless Activities have been timely and duly paid to the appropriate Governmental Authority.

4.10 Conduct of Activities in Ordinary Course. Since December 31, 2013, through the date of this Agreement, the ACS Group and its Affiliates have conducted the ACS Wireless Activities and owned and maintained the ACS Assets only in the ordinary course and have not:

(a) Suffered any material adverse change in the ACS Wireless Activities, the ACS Assets or condition (financial or otherwise), including any damage, destruction or loss affecting the ACS Assets, other than any material adverse change resulting from general economic conditions, governmental regulations or otherwise affecting the Wireless services industry generally; or

(b) Made any sale, assignment, lease or other transfer of any properties used in the ACS Wireless Activities other than in the normal and usual course of business with suitable replacements being obtained therefor.

4.11 Unions. Subject to obtaining the applicable Consent, the ACS Group and its Affiliates are not party to, bound by, or negotiating any collective bargaining agreement or other contract with a union, works council or labor organization (collectively, "**Union**") that would be binding upon GCI or any of its Affiliates, that would impose on GCI or any of its Affiliates any duty to bargain with any Union or that would impose any successor liability or obligation on GCI or any of its Affiliates or their property.

4.12 Software and Hardware. All material third party software licenses and hardware used in the ACS Wireless Activities and included in the ACS Assets is currently supported by the vendor of such software licenses or hardware.

4.13 ACS AWN Interest. ACS Wireless owns the ACS AWN Interest, free and clear of all Liens except for Liens set forth on Schedule 4.13 and Permitted Liens described in clause (g) of the definition of Permitted Liens. This Section 4.13 comprises the sole and exclusive representations and warranties of ACS and ACS Wireless relating to the ACS AWN Interest. For the avoidance of doubt, ACS and ACS Wireless make no representations or warranties relating to the assets, liabilities, business or operations of the Company.

4.14 Accounts Receivable. All Accounts Receivable represent fees or charges for sales actually made or services actually performed in the ordinary course of business consistent with past practices, and all Eligible Accounts Receivable are legal, validly subsisting and binding claims against the respective debtors as to which performance has been rendered. Unless paid, written off, or reserved against in the ordinary course of business consistent with past practice prior to the Closing Date, to the Knowledge of ACS, Eligible Accounts Receivable are collectible in the ordinary course of business consistent with past practice net of respective reserves against such Eligible Accounts Receivable, which such reserves are commercially reasonable and have been determined in accordance with GAAP. Except to the extent reserved against, no counterclaims or offsetting

claims with respect to such Eligible Accounts Receivable are pending or, to the Knowledge of ACS, threatened.

4.15 Drop Circuits. Schedule 4.15 lists all Drop Circuits that were granted as IRUs by ACS to AWN in the Contribution IRU Agreement or ordered subsequently by AWN under the Contribution IRU Agreement. The Drop Circuits (i) are to the Knowledge of ACS in good condition and repair (ordinary wear and tear excepted), and (ii) are, and have been, maintained in accordance with industry standards.

4.16 Dedicated Microwave Circuits. Schedule 4.16 lists all Dedicated Microwave Circuits. The Dedicated Microwave Circuits described in Section 2.1(b)(ii)(4) (i) are to the Knowledge of ACS in good condition and repair (ordinary wear and tear excepted), and (ii) are, and have been, maintained in accordance with industry standards.

4.17 IT Systems Architecture. ACS has delivered to GCI the diagrams and descriptions of ACS's IT systems architecture used to conduct ACS Wireless Activities set forth on Schedule 4.17. The diagrams and descriptions are correct and complete and accurately depict such network in all material respects.

4.18 CDMA Core Assets. Except as set forth in Schedule 4.18 and except for the Excluded Assets, the CDMA Core Assets, when combined with the assets and rights previously transferred, assigned and granted to the Company and the rights, assets and services made available pursuant to the Ancillary Agreements, and excluding assets and rights not dedicated to ACS Wireless Activities, constitute all Contracts, rights and property necessary for the Company to operate the CDMA Core in substantially the manner currently provided and operated.

4.19 Full Disclosure. No representation or warranty made by ACS or ACS Wireless herein or in any certificate, document or other instrument furnished or to be furnished by such Person pursuant hereto contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact known to such Person and required to make the statements herein or therein, in light of the circumstances under which they were made, not misleading.

SECTION 5. REPRESENTATIONS AND WARRANTIES OF GCI PARENT, GCI AND GCI WIRELESS

Each of GCI Parent, GCI and GCI Wireless, jointly and severally, represents and warrants to ACS and ACS Wireless, as of the date hereof and as of the Closing Date except insofar as such representations and warranties are made as of the date hereof or any other specified date (in which case as of such date), as follows:

5.1 Organization, Standing and Authority. Such Person is a corporation or limited liability company duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and such Person is duly qualified to conduct business in all such foreign jurisdictions in which such qualification is necessary for its conduct of its respective business.

5.2 Authorization and Binding Obligation. The execution, delivery and performance of this Agreement and the Ancillary Agreements by such Person have been duly authorized by all necessary corporate or limited liability company action on the part of such Person. No approval or consent from any of its shareholders or members is required for such Person to execute, deliver or perform this Agreement or the Ancillary Agreements or to consummate the Transactions. This Agreement has been duly executed and delivered by such Person and constitutes its legal, valid, and binding obligation, enforceable against it in accordance with its terms, except to the extent such enforceability may be limited by the Enforceability Exceptions.

5.3 Absence of Conflicting Agreements. Subject to obtaining the Consents, the execution, delivery and performance of this Agreement and the Ancillary Agreements (with or without the giving of notice, the lapse of time, or both): (i) does not require the consent of any Person; (ii) will not conflict with any provision of the organizational documents of such Person; (iii) will not conflict with, result in a breach of, or constitute a default under, any applicable Legal Requirements; and (iv) will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of, any material agreement, instrument, license or permit to which such Person is a party or by which such Person may be bound.

5.4 Consents. Except as set forth in Schedule 5.4, no Consent of, or filing with, any Governmental Authority is required to permit GCI, GCI Wireless or GCI Parent to consummate this Agreement and the Transactions.

5.5 Claims and Legal Actions. There is no Proceeding, or any order, decree or judgment, in progress or pending, or to the Knowledge of such Person, threatened, against or relating to such Person or any of its Affiliates relating to such Person's performance of its obligations under this Agreement or the consummation of the Transactions.

5.6 Investment Intent. GCI Wireless is acquiring the ACS AWN Interest for investment purposes only, for its own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof within the meaning of Section 2(11) of the Securities Act.

5.7 Ability to Obtain Financing. As of the date hereof, none of GCI Parent, GCI and GCI Wireless have any reason to believe that the financing to fund the Purchase Price will not be available on commercially reasonable terms and conditions (or that GCI will not be able to satisfy any conditions to such financing) such that the condition set forth in Section 8.2(m) will be satisfied on the Target Closing Date or at such later time when the other conditions set forth in Section 8.2 have been satisfied or waived.

5.8 Full Disclosure. No representation or warranty made by GCI or GCI Wireless herein or in any certificate, document or other instrument furnished or to be furnished by such Person pursuant hereto contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact known to such Person and required to make the statements herein or therein, in light of the circumstances under which they were made, not misleading.

SECTION 6.COVENANTS

6.1 Pre-Closing Covenants. Unless ACS shall have obtained the prior written consent of GCI Parent, between the date hereof and the Closing Date (or the Transition Completion Date with respect to the Transition Contracts or the Assumed Leases Assumption Date with respect to the Assumed Leases and the Leased Property pursuant to any Assumed Leases), each of ACS and ACS Wireless shall conduct, and shall cause its Affiliates to conduct, the ACS Wireless Activities in the ordinary course of business in accordance with its past practices (except where such conduct would conflict with the following covenants or with such Party's other obligations hereunder) and shall abide by the following negative and affirmative covenants:

(a) Negative Covenants. Such Person shall not, and shall cause its Affiliates to not, do any of the following:

(1) Contracts. (i) Modify, amend in any material respect or enter into any new Affiliate Contracts affecting the ACS Wireless Activities other than the Ancillary Agreements; or modify or amend in any material respect any Assumed Contract except (other than with respect to Affiliate Contracts) modifications or amendments in the ordinary course of business that are consistent with past practices; (ii) enter into any new Contracts that will be binding on GCI except Subscriber Contracts (other than Affiliate Contracts) entered into in the ordinary course of business that are consistent with past practices or any Contracts that are permitted under clause (7) below; or (iii) enter into any modification or amendment to any Assumed Contract, or enter into any new Contract, that would require a new or additional Consent other than business Subscriber Contracts pursuant to which the Subscriber has specifically required that a Contract containing a provision requiring Consent be included in such Contract;

(2) Disposition of Assets. Sell, assign, lease, or otherwise transfer or dispose of any of the ACS Assets, except for assets consumed or disposed of in the ordinary course of business that are obsolete and no longer usable in the ACS Wireless Activities or are replaced by property of equivalent kind and value and except transfers to Affiliates of such Person in order to facilitate the Transactions;

(3) Liens. Create, assume or permit to exist any Liens upon the ACS Assets, except for Permitted Liens and except any Liens that will be removed prior to Closing;

(4) Licenses. Do any act or fail to do any act which could reasonably be expected to result in the expiration, revocation, suspension, non-renewal or materially adverse modification of any of such Person's Licenses, or fail to prosecute with due diligence any material applications to any Governmental Authority in connection with the ACS Wireless Activities;

(5) No Inconsistent Action. Take any action which is inconsistent in any material respect with such Person's obligations hereunder or which would reasonably be expected to materially hinder or delay the consummation of the Transactions;

(6) Offers. Sell, dispose of or offer to sell or dispose (including by way of merger or equity sale or issuance) of any of the ACS Assets, the ACS Wireless Activities or the ACS AWN Interest, or participate in any discussions pertaining to, or entertain offers for any

of, the ACS Assets, the ACS Wireless Activities or the ACS AWN Interest or otherwise negotiate for the sale of any of the ACS Assets, the ACS Wireless Activities or the ACS AWN Interest or make information about the ACS Assets, the ACS Wireless Activities or the ACS AWN Interest available to any Third Party in connection with the possible sale of the ACS Assets, the ACS Wireless Activities or the ACS AWN Interest;

(7) Promotions. Offer Wireless subscribers or customers marketing promotions, or solicit prospective Wireless subscribers or customers through the use of marketing promotions, except for marketing promotions that are consistent with past practices or that do not contain discounts or waivers of costs, fees or charges that are materially less favorable to the service provider than comparable service offerings by other market participants, provided that any offer of a premium, payment, waiver or discount all of which is paid by or funded by ACS is permitted;

(8) Internal Subscribers. Hinder or interfere with GCI's efforts to enter into Wireless subscriber contracts with Internal Subscribers. ACS agrees that it shall, and shall cause its Affiliates to, give GCI a right of first offer to provide Wireless services to such Internal Subscribers; or

(9) Waivers. Waive any material right relating to the ACS Wireless Activities, the ACS Assets or the ACS AWN Interest.

(b) Affirmative Covenants. Such Person shall do, and shall cause its Affiliates to do, the following:

(1) Access to Information. Subject to the requirements set forth in Section 7.9, allow GCI Parent and its authorized representatives reasonable access upon reasonable notice at GCI Parent's expense during normal business hours to the ACS Assets and to all other properties, equipment, books, records, Contracts and documents relating to the ACS Assets and the ACS Wireless Activities for the purpose of audit and inspection and shall provide GCI Parent with such information as it may reasonably request for the purpose of allowing the review necessary to issue the Transaction Opinion, and furnish or cause to be furnished to GCI Parent or its authorized representatives all information directly related to the ACS Wireless Activities, as GCI Parent may reasonably request. Any such audit, investigation or request for information shall be conducted in such a manner as not to interfere unreasonably with the ACS Wireless Activities, *provided*, *however*, that (i) neither the furnishing of such information to GCI Parent or its representatives nor any investigation made heretofore or hereafter by GCI Parent shall affect the right of GCI Parent or its Affiliates to rely on any representation or warranty made by the ACS Group or its Affiliates in this Agreement or such Person's or its Affiliates' covenants set forth herein, each of which representations, warranties and covenants shall survive any furnishing of information to, or any investigation by or Knowledge of GCI in accordance with Section 11.2 and (ii) all such information shall be subject to the confidentiality requirements set forth in Section 7.9;

(2) Maintenance of Assets. Use its commercially reasonable efforts to maintain all Drop Circuits, Dedicated Microwave Circuits and Leased Property in good

condition (ordinary wear and tear excepted) in a manner consistent with generally accepted industry standards, and use all of the foregoing assets in a reasonable manner;

(3) Insurance. Use its commercially reasonable efforts to maintain insurance policies covering the ACS Wireless Activities and the ACS Assets in such amounts and with such coverages as are customarily maintained by similarly situated Persons consistent with past practices;

(4) Consents. Use its commercially reasonable efforts to obtain the Consents required for each member of the ACS Group to consummate the Transactions and to assign and transfer the ACS Assets to GCI or the Company, as applicable;

(5) Books and Records. Maintain the books and records of the ACS Group with respect to ACS Wireless and the ACS Assets in accordance with past practices and generally accepted accounting principles;

(6) Notification. Promptly notify GCI Parent of any fact or condition known to such Person that causes or constitutes a material breach of any representation, warranty, covenant or commitment made by such Person in this Agreement or any material change in any of the information contained in such Person's and its Affiliates' representations and warranties contained herein or in the Schedules hereto;

(7) Compliance with Laws. Comply in all material respects with all Legal Requirements applicable to the operation of the ACS Wireless Activities and the ownership of the ACS Assets and the ACS AWN Interest;

(8) Keep Organization Intact. Use such Person's commercially reasonable efforts to preserve intact its business and organization relating to the ACS Wireless Activities and preserve for GCI the related goodwill of its suppliers, customers and others having business relations with it;

(9) Contracts. Prior to the Closing Date, promptly notify GCI regarding any Contracts entered into or modified between the date hereof and the Closing Date of the type required to be listed in Schedule 4.2, and promptly provide copies of such Contracts and any amendments;

(10) CETC. Take all commercially reasonable actions necessary to assure continued receipt of CETC Cash Flow, including the filing for time periods that occur prior to Closing for which payment is to be received after Closing, and the continued filing of high cost line counts;

(11) Lifeline. Take all commercially reasonable actions necessary to assure continued receipt of payments for Lifeline Subscribers through the federal Lifeline program, including the certification and recertification of Lifeline Subscribers;

(12) Offers. Promptly notify GCI Parent of any offer or proposal by any Person concerning any (i) merger, consolidation, other business combination or similar transaction involving the ACS Assets or the ACS Wireless Activities, (ii) sale, lease, license or other disposition directly or indirectly by merger, consolidation, business combination, share exchange, joint venture or otherwise, of assets representing a majority of the consolidated assets, revenues or net income of the ACS Assets or the ACS Wireless Activities, (iii) issuance, sale or other disposition (including by way of merger, consolidation, business combination, share exchange, joint venture or similar transaction) of equity interests representing a majority of the voting power of ACS Wireless or any member of the ACS Group a majority of whose assets are ACS Assets or relate to the ACS Wireless Activities, (iv) transaction or series of transactions in which any Person (or the stockholders of such Person) would acquire beneficial ownership or the right to acquire beneficial ownership of equity interests representing a majority of the voting power of ACS Wireless or any member of the ACS Group a majority of whose assets are ACS Assets or relate to the ACS Wireless Activities or (v) any combination of the foregoing or any similar offer or proposal related to the ACS AWN Interest; and

(13) Systems and Software. Use its commercially reasonable efforts to maintain its systems and software used in the ACS Wireless Activities and included in the ACS Assets in a manner consistent with generally accepted industry standards.

6.2 GCI Promotion Activities. Unless GCI shall have obtained the prior written consent of ACS, between the date hereof and the Closing Date, each of GCI, GCI Wireless and GCI Parent shall not, and shall cause their respective Affiliates not to, offer Wireless subscribers or customers marketing promotions, or solicit prospective Wireless subscribers or customers through the use of marketing promotions, in each case, that would specifically target ACS Subscribers.

6.3 Further Assurances. ACS and ACS Wireless shall take, and cause its Affiliates to take, such actions, and execute and deliver to GCI or GCI Wireless, as applicable, such further transfer documents as may be reasonably necessary to ensure the full and effective transfer of the ACS Assets and the ACS AWN Interest to GCI or GCI Wireless, as applicable, pursuant to this Agreement; *provided*, *however*, that GCI or GCI Wireless, as applicable, shall be responsible for all fees, taxes and other costs (other than any other Party's attorneys' fees and expenses) payable with respect to the filing or recording of any such further transfer documents.

6.4 Form 8-K Filing. Each of ACS and GCI Parent shall cooperate with the other and provide such information or documentation as may be necessary for it to complete the filing of SEC Form 8-K as may be required pursuant to Item 2.01 thereto to be filed in connection with the Transactions. Each Party will bear its own costs and expenses with respect to this Section 6.4.

6.5 CommSoft Authorization. On or before the Closing, ACS shall authorize CommSoft to make available to GCI all Subscriber data with respect to active Subscribers, former subscribers with account balances, and suspended Subscribers, in each case that is stored in, resides on or is utilized by the CommSoft System, including contact, billing, payment and usage information, and credit card information, in each case to the extent reasonably practicable, by executing and delivering the Authorization Notice in the form of Exhibit L.

SECTION 7. SPECIAL COVENANTS AND AGREEMENTS

7.1 Consents.

(a) As promptly as practicable after the date hereof, ACS shall and shall cause each member of the ACS Group, as applicable, to request the consent of such Third Parties whose Consents are required, and thereafter shall and shall cause each member of the ACS Group, as applicable, to use its commercially reasonable efforts to obtain such Consents as expeditiously as possible, subject to the other provisions of this Section 7.1. No Consent shall include any material adverse change to the terms of any Assumed Contract unless otherwise agreed to in writing by GCI. If notwithstanding its good faith commercially reasonable efforts, the ACS Group is unable to obtain any Consent (or is unable to cause its Affiliates to obtain any such Consent), ACS shall not be liable for any breach of this covenant (but GCI and GCI Wireless shall have no obligation to effect the Closing unless the condition set forth in Section 8.2(c) shall have been satisfied) except as set forth in Section 7.8. Nothing herein shall require the expenditure or payment of any funds (other than in respect of normal and usual filing fees and such Party's attorneys' fees, other normal costs of doing business or costs described in Section 7.1(c)) or the giving of any other consideration by any Party in order to obtain any Consent.

(b) To the extent requested by the ACS Group, GCI agrees to cooperate fully with the ACS Group in obtaining any necessary Consents, but GCI will not be required (i) to make any payment to any Person from whom such Consent is sought or (ii) to accept any material adverse changes in, or the imposition of any material adverse condition to, any Assumed Contract as a condition to obtaining any Consent. The Parties shall jointly participate in negotiations with Third Parties with respect to the Consents. Each Party shall not, and shall cause its Affiliates not to, without the prior written consent of the other Parent (which may be withheld at such Parent's sole discretion), seek amendments or modifications to the Assumed Contracts which would reasonably be expected to delay or prevent obtaining any Consents necessary for the Closing.

(c) ACS shall bear any costs required to remedy any item of noncompliance by ACS or any of its Affiliates with the terms of its Contracts. GCI shall bear any costs arising with respect to the performance of the Assumed Contracts on and after the Closing Date (other than any costs arising as a result of noncompliance by ACS or any of its Affiliates) in accordance with the terms of any such Assumed Contracts (including any amendments or modifications) executed or assumed by GCI; provided that, notwithstanding the preceding provisions of this sentence, GCI shall bear any costs arising with respect to the Transition Contracts from and after the Transition Completion Date (except as otherwise provided in the A&R ACS Services Agreement) and with respect to the Assumed Leases from and after the Assumed Leases Assumption Date, in each case rather than from and after the Closing Date.

(d) Each Party shall promptly furnish to any Third Party such accurate and complete information regarding such Party and its Affiliates, including financial information concerning such Party and its Affiliates (other than information which such Party reasonably deems to be proprietary), as such Third Party may reasonably require in connection with obtaining any Consent. Each Party shall ensure that its appropriate officers and employees shall be available to attend any scheduled hearings or meetings in connection with obtaining any Consent.

(e) The Parties shall use commercially reasonable efforts to deliver to the FCC and any Subscribers any notice required by the Communications Act to be delivered in connection with the consummation of the Transactions; *provided, however,* that the text of any such notice shall be mutually agreed upon by the Parties.

7.2 Cooperation. The Parties shall cooperate fully in good faith with each other and their respective counsel and accountants in connection with any actions required to be taken as part of their respective obligations under this Agreement, and each Party shall execute such other documents as may be reasonably necessary to the implementation and consummation of this Agreement, and otherwise shall use its commercially reasonable efforts in good faith to do all things necessary, proper or advisable in order to consummate the Transactions in the most expeditious manner practicable (including using commercially reasonable efforts to cause the conditions to Closing set forth in Section 8 for which such Party is responsible to be satisfied on or before the Target Closing Date or as soon as reasonably practicable and, in the case of GCI Parent, GCI and GCI Wireless, using their commercially reasonable efforts to (i) obtain financing as contemplated by Sections 5.7 and 8.2(m) and (ii) enter into the arrangements with CommSoft and other Persons as contemplated by Section 8.2(n)) and to fulfill its obligations hereunder. ACS shall take all commercially reasonable steps necessary to transfer the administrative entity designation (AOCN) authority for OCN 6304 to the GCI AOCN 7785 and provide to GCI a copy of the most recently filed FCC Form 502 (NRUF) for OCN 6304, in each case no later than 30 days after Closing. Without limiting the foregoing, if a Governmental Authority requires an arrangement to be addressed through another form of agreement that requires Governmental Consent, or asserts that an arrangement requires a Governmental Consent the Parties did not believe was required, the Parties agree to work in good faith to obtain that Consent.

7.3 Taxes, Fees and Expenses.

(a) ACS shall, at its expense, prepare and file (or cause to be prepared and filed) all Tax Returns of ACS or its Affiliates relating to the operation of the ACS Wireless Activities or the ownership of the ACS Assets or the ACS AWN Interest for any Tax period ending on or prior to the Closing Date. GCI shall, at its expense, prepare and file (or cause to be prepared and filed) all Tax Returns of GCI or its Affiliates relating to the operation of the assets acquired pursuant to this Agreement for any Tax period ending after the Closing Date. Each of ACS and GCI will cooperate in good faith in the preparation and filing of Tax Returns relating to the ACS Assets and the AWN Interests and provide information to the other Party as is reasonably necessary for such Tax Returns. The Parties shall treat the Company as having terminated as a partnership within the meaning of Section 708(b)(1)(A) of the Code on the Closing Date, and the Company shall, in accordance with Section 11.4 of the Operating Agreement (relating to the filing of Tax Returns), at its expense, prepare and file all final Tax Returns relating to income Taxes for the Tax period ending on the Closing Date. For the avoidance of doubt, the Company shall, at its expense, prepare and file all other Tax Returns of the Company in accordance with Section 11.4 of the Operating Agreement.

(b) ACS shall pay and hold GCI Parent and its Affiliates harmless from any liability for payment of or otherwise with respect to any Taxes, without duplication, (i) of ACS or

its Affiliates or (ii) relating to the operation of the ACS Wireless Activities or the ownership of the ACS Assets or the ACS AWN Interest for any Tax period (or portion thereof) ending on or prior to the Closing Date (for purposes of this clause (ii), all real property Taxes, personal property Taxes and similar ad valorem obligations levied with respect to the ACS Assets for a Tax period that includes (but does not end on) the Closing Date shall be apportioned between ACS and GCI based upon the number of days of such period (which period shall include the Closing Date) included in the pre-Closing Tax period and the number of days of such Tax period after the Closing Date).

(c) ACS shall pay, or shall reimburse GCI (to the extent GCI shall have paid) for, all sales, use, transfer, and recordation and documentary Taxes, if any, arising out of the transfer by ACS of the ACS Assets to GCI pursuant to this Agreement.

(d) Upon receipt of any bill for real or personal property Taxes or similar ad valorem Taxes relating to the ACS Assets, or upon the filing of any Tax Return with respect to any such ad valorem Taxes, ACS or GCI, as applicable, shall present a statement to the other setting forth the amount of such Taxes that is attributable to the portion of the applicable Tax period that ended on the Closing Date, with such supporting evidence as is reasonably necessary to calculate such prorated amount. The prorated amount shall be paid by the Party owing it to the other within 30 days after delivery of such statement. Any payment required under this Section 7.3(d) and not made within 30 days of delivery of the relevant statement shall bear interest at LIBOR plus 10% per annum until fully paid.

(e) Except as otherwise provided in this Agreement, each Party shall pay its own attorneys' fees and other expenses incurred in connection with the negotiation, authorization, preparation, execution, and performance of this Agreement; *provided*, *however*, that each of ACS and GCI Parent shall pay 50% of any required filing fees in connection with applications for governmental approval of the Transactions.

7.4 Brokers. Each Party represents and warrants that, except as set forth in Schedule 7.4, neither it nor any Person acting on its behalf has incurred any liability for any finders' or brokers' fees or commissions in connection with the Transactions.

7.5 Employee Matters.

(a) Neither GCI nor any of its Affiliates shall be obligated to hire any employee of ACS or any of its Affiliates. Nothing in this Agreement is intended to confer upon any employee of ACS or its Affiliates or such employee's legal representative or heirs any rights as a third-party beneficiary or otherwise or any remedies of any kind whatsoever under or by reason of this Agreement, or the Transactions, including any rights of employment or continued employment. All rights and obligations created by this Agreement are solely among the Parties.

(b) ACS shall retain all liabilities with respect to any employees terminated by ACS or any of its Affiliates prior to or after the Effective Time.

(c) ACS shall comply, as necessary, with the provisions of the Worker Adjustment and Retaining Notification Act, as amended, 29 U.S.C. §2101, et seq. (the "**WARN**

Act"), as it relates to the Transactions, including providing all affected employees and other necessary persons with any notice that may be required under the WARN Act.

7.6 Risk of Loss. The risk of any loss, damage or impairment, confiscation or condemnation of any of the ACS Assets from any cause whatsoever shall be borne by ACS at all times prior to the completion of the Closing (and prior to the Transition Completion Date with respect to the Transition Contracts and prior to the Assumed Leases Assumption Date with respect to the Assumed Leases and the Leased Property pursuant to any Assumed Leases) as and to the extent provided in Section 11. In the event of any loss, damage or impairment, confiscation or condemnation, the proceeds of any claim for loss payable under any insurance policy, judgment or award with respect thereto shall be applied by ACS to repair, replace or restore such ACS Assets to their prior condition as soon as reasonably practicable after such loss, impairment, condemnation or confiscation.

7.7 Post-Closing Access to Information. Following the Closing for a period of 24 months, each Party (i) shall allow each other Party and its authorized representatives reasonable access, on reasonable notice and at such other Party's expense during normal business hours, to such Party's books and records, for the purpose of audit, inspection or investigation relating to the business, tax and financial reporting requirements of such other Party as well as to any Third-Party claims made against such other Party, relating to or arising from the acquisition, ownership or conduct of the operations of the ACS Assets, the AWN Interest or the ACS Wireless Activities during the time period prior to Closing, and (ii) shall furnish or cause to be furnished to such other Party or its authorized representatives all information with respect to the ACS Assets, the AWN Interest and the ACS Wireless Activities as such other Party may reasonably request, including information necessary to complete any compliance report or filing applicable to the ACS Wireless Activities, in each case subject to reasonable confidentiality and use restrictions. Any such audit, investigation or request for information shall be conducted in such manner as not to interfere unreasonably with the then-ongoing business of ACS or GCI, as applicable, and their respective Affiliates.

7.8 Post-Closing Consents and Subsequent Transfers.

(a) Schedule 7.8 contains a list (the "**Subscriber Contract Consent List**") setting forth all Subscriber Contracts as of the Signing Date for which Consent is required in order to assign or transfer such Subscriber Contracts pursuant to this Agreement and for which such Consent has not been obtained. If ACS or ACS Wireless enters into a new Subscriber Contract requiring Consent pursuant to Section 6.1(a)(1)(iii), ACS shall as promptly as practicable, but in no event later than two Business Days after entering into such Contract, provide GCI with an updated Schedule 7.8 containing such Contract. On the earlier of 30 days after the Signing Date or 15 days before the estimated Closing Date, ACS shall provide copies of all Contracts listed on the Subscriber Contract Consent List for which Consent has not been obtained. No later than five Business Days after the delivery by ACS to GCI of such Contracts, GCI shall notify ACS in writing of any Contracts listed on such updated Subscriber Contract Consent List that it elects not to assume if Consent with respect thereto is not obtained by Closing (each such notice, a "**Non-Election Notice**"). All Subscriber Contracts listed on the Subscriber Contract Consent List for which Consent is not obtained by Closing and a Non-Election Notice is timely received shall not be assumed by GCI and

will be Excluded Assets. All Subscriber Contracts listed on the Subscriber Contract Consent List for which Consent is obtained by Closing or a Non-Election Notice is not timely received shall be assumed by GCI pursuant to this Agreement as part of the ACS Assets, and all Subscribers under such Subscriber Contracts shall be included in the Actual Postpaid Subscriber Count or the Actual Prepaid Subscriber Count, as applicable. All Subscriber Contracts for which Consent is not obtained by Closing and a Non-Election Notice has been timely received shall be Excluded Assets and may be terminated by ACS, assigned to a Third Party or otherwise dealt with in ACS's sole discretion. Notwithstanding anything to the contrary contained herein or in any Ancillary Agreement, ACS's assignments of such Subscriber Contracts shall not constitute a breach of any non-competition or other provision of this Agreement or any Ancillary Agreement.

(b) In the event that ACS shall be unable to obtain prior to Closing (or prior to the Transition Completion Date with respect to any Transition Contract or prior to the Assumed Leases Assumption Date with respect to any Assumed Leases) any Consent required to assign or transfer any of the Assumed Contracts (other than Subscriber Contracts) to be assigned or transferred by ACS to GCI, ACS and GCI agree that at the option of GCI, either (1) GCI shall waive such Consent as a precondition to assignment and such Assumed Contract shall be assigned by ACS to GCI as part of the ACS Assets, (2) at GCI's election, such Contract shall be an Excluded Asset (but not an Excluded Business Customer Contract) and such Contract shall not be assigned or assumed, or (3) such Assumed Contract to which such Consent relates shall not be assigned and (i) ACS shall cause such Assumed Contract to remain in effect and shall use its commercially reasonable efforts to give GCI the benefit of such Assumed Contract to the same extent as if it had been assigned, and GCI shall perform the obligations of ACS or its Affiliates under such Assumed Contract relating to the benefit obtained by GCI, and (ii) ACS and GCI shall continue to cooperate to try to obtain such Consent as soon as practicable after Closing or after the Transition Completion Date or the Assumed Contracts Assumption Date, as applicable, with the provisions of Section 7.1 continuing to apply to such Consent. Upon the subsequent receipt of any such Consent to transfer any such Assumed Contract, or upon the subsequent waiver by GCI of the requirement that such Consent be obtained, such Assumed Contract shall be automatically assigned to GCI under the terms hereof without any further action by any Party.

7.9 Confidentiality/Press Releases. Each Party will hold, and will cause its Affiliates and its and their officers, directors, employees, lenders, accountants, representatives, agents, consultants and advisors to hold, in confidence all information (other than such information as may be publicly available) furnished by, or obtained from, the other Party and its Affiliates ("**Provider**") to such Party and its Affiliates ("**Receiver**") in connection with the Transactions, as well as all information concerning Provider, its Affiliates or the ACS Assets or the ACS Wireless Activities contained in any analyses, compilations, studies or other documents prepared by or on behalf of Receiver based on information provided by, or obtained from, Provider (collectively, the "**Information**") in the manner set forth in the Confidentiality Agreement.

(a) If the Transactions are not consummated, each Party, as Receiver, agrees that: (i) the Information, except for that portion thereof which consists of analyses, compilations, studies or other documents prepared by or on behalf of Receiver, will be returned to Provider immediately upon Provider's request therefor; and (ii) that portion of the Information which consists of analyses,

compilations, studies or other documents prepared by or on behalf of Receiver will be destroyed by Receiver. Notwithstanding the foregoing, Receiver may retain data or electronic records containing Information (i) for the legal department of Receiver for compliance, evidentiary or archival purposes and (ii) for the purposes of backup, recovery, contingency planning or business continuity planning so long as such data or records are not accessible in the ordinary course of business and are not accessed except as required for backup, recovery, contingency planning or business continuity purposes.

(b) Each Party shall, and shall cause its Affiliates to, consult with each other before issuing, and provide each other the opportunity to review and comment upon, any press release or other public statements with respect to the Transactions and shall not issue any such press release or make any such public statement without the prior written consent of the other Parent, except with respect to (i) any disclosures to any Governmental Authority which it is required to make under any Legal Requirement (including with respect to any such Person's public reporting obligations under applicable securities laws), or (ii) filing this Agreement with, or disclosing the terms of this Agreement to, any institutional lender to such Person or any of its Affiliates or potential investor in such Person or any of its Affiliates. The Parties shall cooperate to issue a press release publicly announcing this Agreement and the Transactions and shall mutually agree upon the timing and contents of such press release. Notwithstanding the foregoing, any Party may without consulting with any other Party make additional announcements that are substantially similar in form as the mutually agreed upon press release referenced in the prior sentence.

(c) Each Party shall, and shall cause its Affiliates to, consult with each other before issuing, and provide each other the opportunity to review and comment upon, any communication to Subscribers, except communications in conformance and compliance with the terms of the Transition Services Agreement or the IP License Agreement.

7.10 Antitrust Notice.

(a) GCI Parent shall as promptly as practicable, but in no event later than five Business Days following the execution and delivery hereof, contact the Antitrust Division to disclose the agreement of the Parties to consummate the Transactions. If requested by GCI, ACS shall, and shall cause its Affiliates to, cooperate reasonably in all respects with GCI in connection with any response, filing or submission requested by the United States Federal Trade Commission (the "**FTC**") or the United States Department of Justice (the "**Antitrust Division**") and in connection with any investigation or other inquiry with respect thereto. Each Parent will use its reasonable best efforts to do each of the following with respect to matters relating to any such response, filing or submission: (i) cooperate reasonably in all respects with the other Parent in connection with any filing or submission and in connection with any investigation or other inquiry, including any proceeding initiated by a private party, (ii) promptly inform the other Parent of any communication received by such Party from, or given by such Party to, the Antitrust Division or any other Governmental Authority and of any material communication received or given in connection with any proceeding by a private party, in each case regarding any of the Transactions, (iii) permit the other Parent, or the other Parent's legal counsel, to review any substantive communication given by it to, and consult with each other in advance of any meeting or conference with, the Antitrust

Division or any such other Governmental Authority or, in connection with any proceeding by a private party, with any other Person, in each case regarding any of the Transactions, (iv) give the other Parent the opportunity to attend and participate in such meetings and conferences to the extent allowed by applicable Legal Requirements or by the applicable Governmental Authority, (v) in the event one Parent is prohibited by applicable Legal Requirements or by the applicable Governmental Authority from participating in or attending any meetings or conferences, keep the other promptly and reasonably apprised with respect thereto, (vi) cooperate reasonably in the filing of any memoranda, white papers, filings, correspondence, or other written communications explaining or defending the Transactions, articulating any regulatory or competitive argument, and/or responding to requests or objections made by any Governmental Authority and (vii) furnish the other Parent with copies of all correspondence, filings, and written communications between the Parent and any Governmental Authority with respect to this Agreement and the Transactions, except that any materials containing valuation information, internal financial information, or competitively sensitive information may be designated for limited distribution as appropriate. Notwithstanding anything in this Section 7.10 to the contrary, no Party shall be required to share with any other Party confidential or proprietary information that is provided by such Party to the FTC or Antitrust Division and is unrelated to the Transactions.

(b) In the event that any objections to the Transactions are asserted by any Governmental Authority under any Antitrust Law, the Parties will in good faith discuss at such time and each use reasonable best efforts to resolve such objections including, without limitation, if a Proceeding is instituted challenging any Transaction as violative of any Antitrust Law, using reasonable best efforts to resist or resolve such Proceeding; *provided, however*, that neither Party shall be required to provide any undertakings or to comply with any conditions that, in its reasonable opinion, would materially change the Transactions or such Party's business, taken as a whole.

7.11 CETC Amounts. After the Closing, ACS shall promptly deliver, and cause its Affiliates to promptly deliver, to the Company an amount equal to all CETC Cash Flow as and when received by it and its Affiliates which shall be used by the Company for maintenance and support of the Company's Wireless network. ACS shall cooperate with GCI to transfer to GCI or the Company the right to the CETC Cash Flow, including transfer of the USAC separate Study Area Codes for the ACS Wireless Activities.

7.12 Allocation. The Parties agree that the Purchase Price (including the Assumed Liabilities, if any, attributable to the ACS Assets to the extent properly taken into account for U.S. federal income tax purposes and any other items treated as consideration paid by GCI or GCI Wireless for such purposes) shall be allocated among each member of the ACS Group transferring the ACS Assets or the AWN Interest, then further allocated among the ACS Assets and the ACS AWN Interest sold by such Member in accordance with Code Section 1060 and the Treasury regulations thereunder (and any similar provision of state, local or foreign law, as appropriate) as shown on the allocation schedule (the "**Allocation Schedule**"). In addition, the Allocation Schedule shall set forth the value of each of the Company assets, broken down in such a manner to enable ACS to determine the amount of gain recognized on the sale of the ACS AWN Interest characterized as ordinary income under Section 751 of the Code. The Allocation Schedule shall be (i) prepared by the Parties as soon as practicable following the completion of the valuation report by Duff &

Phelps pursuant to Section 7.18, (ii) subject to mutual agreement by ACS and GCI Parent and (iii) consistent with the valuation prepared by Duff & Phelps pursuant to Section 7.18. ACS and GCI Parent and their Affiliates shall file all Tax Returns (including Internal Revenue Service Form 8594) in a manner consistent with, and shall take no position in any audit or administrative proceeding inconsistent with, the Allocation Schedule. Any subsequent allocation necessary as a result of an adjustment to the consideration to be paid hereunder shall be determined by the Parties in a manner consistent with the Allocation Schedule; *provided*, *however*, that any adjustment to the Purchase Price pursuant to Section 2.3(a) shall relate solely to the AWN Interest, and any adjustment to the Purchase Price pursuant to any other provision of Section 2.3 shall relate solely to the ACS Assets.

7.13 Forwarding Inquiries and Payments; Collection of Accounts Receivable.

(a) For a period of 12 months after the Closing Date, ACS shall, and shall cause its Affiliates to, forward to GCI any e-mail, facsimile, postal mail or telephone inquiries that the ACS Group receives to the extent relating to the ACS Assets, the ACS Wireless Activities or the ACS AWN Interest and shall promptly after the Closing Date file complete and adequate forwarding notices with the postal officials and appropriate telephone utilities provided by GCI for the forwarding to GCI of all mail and telephone calls relating to the ACS Assets, the ACS Wireless Activities or the ACS AWN Interest.

(b) Except for payments made pursuant to the provisions of this Agreement, to the extent (i) the ACS Group receives any payments in respect of any portion of the ACS Assets, the ACS Wireless Activities or the ACS AWN Interest, in each case with respect to (x) Wireless goods or services provided by GCI after Closing or (y) the ownership of the ACS Assets or the ACS AWN Interest after Closing the ACS Group shall promptly forward the same to GCI, or (ii) GCI receives any payments in respect of any of the Excluded Assets, GCI shall promptly forward the same to ACS, in each case to the extent not otherwise addressed pursuant to this Agreement or the Ancillary Agreements. The Parties also agree to use commercially reasonable efforts to coordinate the collection of the Accounts Receivable of the ACS Wireless Activities. Each of ACS and GCI agree to allocate payments received for a combination of Wireless services and other services in accordance with the policies and procedures described on Schedule 7.13.

(c) At least two Business Days before Closing, ACS shall provide to GCI a list of all Subscribers that have requested to pay by wire transfer or that ACS has agreed to accept payment by wire transfer.

7.14 Transaction Opinion. GCI Parent shall use reasonable best efforts to cause the Transaction Opinion to be issued so as not to delay the Closing. Such efforts shall include entering into an engagement letter as soon as reasonably practicable with a nationally recognized investment banking or valuation firm, paying any applicable fees, providing all necessary information to such firm and requesting the Transaction Opinion from such firm. ACS shall take all commercially reasonable actions requested by GCI Parent to cooperate and provide information required in connection with issuance of the Transaction Opinion.

7.15 Covenants Not To Compete or Solicit.

(a) Neither ACS nor any of its controlled Affiliates will engage, directly or indirectly, including as a reseller, in the Restricted Wireless Business in the State of Alaska for a period of four years after the Closing Date; *provided*, *however*, that nothing contained herein shall be deemed to prohibit ACS or any of its Affiliates from (i) performing under and in accordance with the terms of the Excluded Business Customer Contracts or (ii) acquiring as an investment not more than 1% of the outstanding capital stock of a Restricted Wireless Business whose capital stock is traded on a national securities exchange.

(b) For a period of six months after the Closing Date, no Party nor any of its controlled Affiliates will, directly or indirectly, solicit, recruit or hire any Person set forth on Schedule 7.15 to the extent that any such Person has not been terminated by the applicable Party.

7.16 Leases. Within 45 days after the Signing Date, GCI will provide written notice to ACS setting forth those Offered Leases listed on the Leased Property Schedule that GCI desires to assume upon completion of the transition period under the Transition Services Agreement (each an "**Assumed Lease**"). All Assumed Leases will be Assumed Contracts under this Agreement, and all other Offered Leases will be Excluded Assets and Excluded Liabilities under this Agreement.

7.17 Post Closing Deliveries. ACS shall, or shall cause its subsidiaries or other Persons, as applicable to, deliver to GCI:

(a) On or before the date that is five Business Days after Closing, all Contracts for provision of Wireless services to Subscribers that are stored in or reside on the CommSoft System, in each case, in electronic format (with signature or recorded third-party verification) with respect to all active Subscribers, former subscribers with account balances at Closing, and suspended Subscribers. For the avoidance of doubt, the foregoing delivery requirement will be satisfied by ACS providing access to the CommSoft System or other electronic system to GCI to the extent such delivery requirement is included in the CommSoft System. Contracts "in transit" (e.g., contracts for services sold in a Retail Store which are not entered into CommSoft at the point of sale) will be provided electronically within two Business Days after their entry into CommSoft.

(b) On or before the date that is ten Business Days after Closing, all Contracts for the provision of Wireless services to commercial Subscribers other than those described in Section 7.17(a) that, to the Knowledge of ACS, have not been delivered to GCI.

(c) On or before the date that is five Business Days after Closing, with respect to Lifeline Subscribers, the latest recertification date with respect to each Lifeline Subscriber, in each case in electronic format.

(d) On or before the date that is five Business Days after Closing, all Subscriber data that is not stored in or does not reside on the CommSoft System that is reasonably requested by GCI and that is in ACS's possession including, to the extent reasonably requested and in ACS's possession: historical CPNI data, One Time Payment information, Trouble Ticket information, #5775 (contract) Usage Statistics, Customer Threshold Configurations, 3PV Files and Subscriber data resident in the Customer Data Store or Wireless Access Database systems.

(e) On or before the date that is ten Business Days after Closing, a detailed report of prepaid wireless deferred revenue calculated consistent with ACS's past practices.

(f) On or before the date that is five Business Days after Closing, all Wireless call history information in its possession, including call history for former subscribers in electronic format sourced from the primary database in which the information is stored.

7.18 Financial Reporting. (a) ACS and GCI agree that they will retain Duff & Phelps to provide valuation services with respect to the Transactions and that each of ACS and GCI will bear and be responsible for 50% of the cost of such services as are required for ACS's and GCI's financial reporting. The cost of any additional services provided by Duff & Phelps shall be borne by the Party requesting such services. Each of ACS and GCI agree that it will accept the valuation determined by Duff & Phelps as set forth in its valuation report for financial reporting purposes to the extent applicable after being provided with an opportunity to review and comment on such report for a period not to exceed ten Business Days. Each of ACS and GCI will use reasonable best efforts to cause the valuation report to be issued. Such efforts shall include taking all commercially reasonable actions requested by Duff & Phelps to provide information required in connection with such report and to cooperate in good faith with each other in connection with any actions required to be taken in connection with the issuance of such report.

(a) If Closing occurs after March 1, 2015, the Company will complete a stub period audit if required in connection with ACS's public reporting obligations and the cost of such audit shall be the responsibility of the Company. Each of ACS and GCI agree that Grant Thornton will be engaged to provide such audit.

7.19 Excluded Business Customers.

(a) GCI and ACS agree to negotiate in good faith for a period not to exceed 180 days after Closing to reach an agreement with respect to the Excluded Business Customers, which agreement will provide that (i) the Excluded Business Customers will remain customers of ACS for the period specified in the Excluded Business Customers Contracts, including any contracted extensions specifically set forth therein, (ii) GCI will be paid the greater of (A) all revenues, fees and charges payable by the Excluded Business Customers for Wireless services and (B) wholesale rates, fees and charges currently payable by ACS to the Company to provide Wireless service to the Excluded Business Customers, (iii) GCI will have reasonable third party audit rights with respect to the Excluded Business Customer Contracts to verify wireless revenues, fees and charges payable by the Excluded Business Customers thereunder, which audit rights (A) shall not be exercised more than once every other year and (B) shall not unreasonably interfere with the business operations of ACS and its Affiliates, (iv) ACS will retain responsibility for all customer care and customer relations functions for the Excluded Business Customers and enforce a reasonable and customary excessive roaming policy with respect to the Excluded Business Customers, (v) GCI will provide Wireless services and billing support functions for the Excluded Business Customers for the period specified in the Excluded Business Customers Contracts, including any contracted extensions specifically set forth therein, under the terms of the applicable Excluded Business Customers Contract, (vi) ACS will not amend any Excluded Business Customer Contract, except to execute contracted extensions, (vii) to the extent technically feasible, GCI will preserve the ACS logo on the Excluded

Business Customer handsets and produce paper bills in the name of and on behalf of ACS and (viii) GCI will have no obligation or responsibility to maintain any Wireless network or system functionality with respect to the Excluded Business Customers that it or the Company does not provide to any other Wireless customers. During the period of negotiation, GCI agrees to provide Wireless services to the Excluded Business Customers on commercially reasonable terms consistent with the foregoing to the extent practicable, and use commercially reasonable efforts to comply with the terms and conditions of the Excluded Business Customer Contracts; *provided*, *however*, that, other than with respect to its obligations to use commercially reasonable efforts set forth above, GCI and its Affiliates shall have no liability to any member of the ACS Group or to any Excluded Business Customer for failing to comply with such terms and conditions. During such 180 day period, GCI will bill ACS for all revenues, fees, and charges payable by the Excluded Business Customers for Wireless under the terms of the Excluded Business Customer Contracts and ACS will pay such amounts to GCI on customary commercial terms.

(b) If the Parties fail to reach an agreement with respect to the Excluded Business Customers within 180 days after Closing, neither GCI nor any of its Affiliates will have any further obligation to provide Wireless service to the Excluded Business Customers and ACS will pay to GCI the difference between (a) the Subscriber Adjustment as finally determined pursuant to Section 2.3 and (b) the Subscriber Adjustment that would have applied if the Excluded Business Customers were included in the definition of Nonqualifying Subscribers (the "**Excluded Business Customer Payment**"). ACS will pay any Excluded Business Customer Payment to GCI on or before the date that is 15 days after the expiration of the 180 day period by wire transfer of immediately available funds to an account or accounts designated by GCI. GCI will have the right to dispute ACS's calculation of the Excluded Business Customer Payment subject to the procedures and time frames set forth in Sections 2.3(f), (g), and (h) with the expiration of the 180 day period being substituted for the Closing Date in such Sections. Any payment pursuant to this Section 7.19(b) shall be treated for all Tax purposes as an adjustment to the Purchase Price.

SECTION 8. CONDITIONS TO THE OBLIGATIONS TO CLOSE

8.1 Conditions to Obligations of ACS Group. All obligations of ACS and ACS Wireless at the Closing hereunder are subject to the satisfaction, on or before the Closing Date, of each and every one of the following conditions, all or any of which may be waived, in whole or in part, by ACS for purposes of consummating the Transactions, but without prejudice to any other right or remedy which ACS or ACS Wireless may have hereunder as a result of any misrepresentation by, or breach of any covenant or warranty of, GCI or GCI Wireless contained in this Agreement or any other certificate or instrument furnished by GCI or GCI Wireless hereunder:

(a) Representations and Warranties. All representations and warranties of each of GCI and GCI Wireless in this Agreement shall be true and correct in all respects to the extent qualified by materiality and in all material respects to the extent not so qualified at and as of the Closing Date as though such representations and warranties were made at and as of such time, except insofar as any such representation or warranty is made as of the date of this Agreement or any other specified date (in which case it shall be true and correct in all respects to the extent qualified by materiality and in all material respects to the extent not so qualified as of the date of

this Agreement or such other specified date). ACS and ACS Wireless shall have received a certificate signed by authorized officers of GCI and GCI Wireless to the effect of the preceding sentence.

(b) Covenants and Conditions. Each of GCI and GCI Wireless shall have in all material respects performed and complied with all covenants, agreements and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date. ACS and ACS Wireless shall have received a certificate signed by authorized officers of GCI and GCI Wireless to the effect of the preceding sentence.

(c) Ancillary Agreements. The Ancillary Agreements shall have been duly executed and delivered by GCI, GCI Wireless and the other parties thereto, as applicable (other than ACS, ACS Wireless or any of their Affiliates), and each Ancillary Agreement shall constitute the legal, valid, and binding obligation of each of such parties, enforceable against it in accordance with its terms, except to the extent such enforceability may be limited by the Enforceability Exceptions.

(d) Consents. All Governmental Consents and the Specified Consents shall have been obtained.

(e) Governmental Orders. No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any order, writ, judgment, injunction, decree, stipulation, determination or award that is in effect and has the effect of making any material aspect of the Transactions illegal, otherwise restraining or prohibiting consummation of any material aspect of the Transactions or causing any material aspect of the Transactions to be rescinded following completion thereof.

(f) Deliveries. GCI and GCI Wireless shall have made or stand willing and able to make all the deliveries set forth in Section 9.3.

(g) Absence of Proceedings. There shall not be pending or overtly threatened in writing any Proceeding (i) challenging or seeking to restrain or prohibit the Transactions or seeking to obtain from ACS or ACS Wireless or any of their respective Affiliates, in connection with the Transactions, any damages, forfeiture, license revocation, or other penalty, condition or liability that, individually or in the aggregate, could reasonably be expected to have a material effect on ACS or any of its Affiliates, or (ii) seeking to impose any conditions or restrictions that, individually or in the aggregate, in the reasonable judgment of ACS or ACS Wireless, would materially impair (or would reasonably be expected to materially impair) the ability of ACS or ACS Wireless to consummate the Transactions or would reasonably be expected to have a material adverse effect on the economic benefits to ACS or ACS Wireless arising therefrom.

(h) Bankruptcy Event. No Bankruptcy Event shall have occurred and be continuing with respect to GCI or GCI Wireless.

8.2 Conditions to Obligations of GCI and GCI Wireless. All obligations of GCI and GCI Wireless at the Closing hereunder are subject to the satisfaction, on or before the Closing Date, of each and every one of the following conditions, all or any of which may be waived, in whole or

in part, by GCI Parent for purposes of consummating the Transactions, but without prejudice to any other right or remedy which GCI or GCI Wireless may have hereunder as a result of any misrepresentation by, or breach of any covenant or warranty of, ACS or ACS Wireless contained in this Agreement or any other certificate or instrument furnished by ACS or ACS Wireless hereunder:

(a) Representations and Warranties. All representations and warranties of each of ACS and ACS Wireless in this Agreement shall be true and correct in all respects to the extent qualified by materiality and in all material respects to the extent not so qualified at and as of the Closing Date as though such representations and warranties were made at and as of such time, except insofar as any such representation or warranty is made as of the date of this Agreement or any other specified date (in which case it shall be true and correct in all respects to the extent qualified by materiality and in all material respects to the extent not so qualified as of the date of this Agreement or such other specified date). GCI and GCI Wireless shall have received a certificate signed by authorized officers of ACS and ACS Wireless to the effect of the preceding sentence.

(b) Covenants and Conditions. Each of ACS and ACS Wireless shall have in all material respects performed and complied with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date. GCI and GCI Wireless shall have received a certificate signed by authorized officers of ACS and ACS Wireless to the effect of the preceding sentence.

(c) Consents. Each of the Material Consents to be obtained by a member of the ACS Group, in form and substance reasonably acceptable to GCI, shall have been duly obtained and delivered to GCI with, as a result of obtaining such Consent, no material adverse change having been made in the terms of the License or Assumed Contract that is the subject of such Material Consent.

(d) Ancillary Agreements. The Ancillary Agreements shall have been duly executed and delivered by ACS, ACS Wireless and the other parties thereto, as applicable (other than GCI, GCI Wireless or any of their Affiliates), and each Ancillary Agreement shall constitute the legal, valid and binding obligation of each of such parties enforceable against it in accordance with its terms, except to the extent such enforceability may be limited by the Enforceability Exceptions.

(e) Lien Searches. Any lien searches that shall have been obtained by GCI, at its expense, shall disclose no Liens on any material ACS Assets other than Permitted Liens and Liens under the Credit Agreement, dated as of October 21, 2010, as amended, among Alaska Communications Systems Holdings, Inc., ACS, the lenders party thereto and JPMorgan Chase Bank, as administrative agent.

(f) Governmental Consents. All Governmental Consents shall have been obtained.

(g) Material Adverse Change. ACS and its Affiliates shall not have suffered any material adverse change in the ACS Assets or the ACS Wireless Activities, its liabilities, condition

(financial or otherwise) or results of operations, including as a result of any damage, destruction or loss affecting the ACS Assets, other than any material adverse change resulting from (i) general economic conditions, (ii) changes adversely affecting the Wireless industry (so long as the ACS Assets or the ACS Wireless Activities are not disproportionately affected thereby), (iii) the negotiation, announcement, execution, delivery, consummation or pendency hereof or of the Transactions, any litigation relating to this Agreement or the Transactions or any action or inaction by ACS or its Affiliates contemplated by or required by this Agreement, (iv) changes in accounting principles, (v) matters disclosed or referred to in the Schedules, or (vi) attack, outbreak, hostility, terrorist activity, act or declaration of war or act of public enemies or other geopolitical event (so long as the ACS Assets or the ACS Wireless Activities are not disproportionately affected thereby).

(h) Governmental Orders. No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any order, writ, judgment, injunction, decree, stipulation, determination or award that is in effect and has the effect of making the Transactions illegal, otherwise restraining or prohibiting consummation of such Transactions or causing such Transactions to be rescinded following completion thereof.

(i) Deliveries. ACS and ACS Wireless shall have made or shall stand willing and able to make all the deliveries set forth in Section 9.2.

(j) Absence of Proceedings. There shall not be pending or overtly threatened in writing any Proceeding (i) challenging or seeking to restrain or prohibit the Transactions or seeking to obtain from GCI or GCI Wireless or any of their respective Affiliates, in connection with the Transactions, any damages that are material in relation to GCI or GCI Wireless (as the case may be) taken as whole, (ii) seeking to prohibit or limit the ownership or operation by GCI or GCI Wireless of any material portion of the ACS Wireless Activities, the ACS Assets or the ACS AWN Interest or to compel GCI or GCI Wireless to dispose of or hold separate any material portion of the ACS Wireless Activities, the ACS Assets or the ACS AWN Interest, in each case as a result of the Transactions, or (iii) seeking to impose any conditions or restrictions that, individually or in the aggregate, in the reasonable judgment of GCI or GCI Wireless, would materially impair (or would reasonably be expected to materially impair) the ability of GCI or GCI Wireless to consummate the Transactions or would reasonably be expected to have a material adverse effect on the economic benefits to GCI or GCI Wireless arising therefrom.

(k) Bankruptcy Event. No Bankruptcy Event shall have occurred and be continuing with respect to any member of the ACS Group.

(l) Transaction Opinion. GCI shall have received the Transaction Opinion.

(m) Financing. GCI shall have obtained financing to fund the Purchase Price on terms and conditions that, taken as a whole, are not substantially less favorable to GCI than commercially reasonable terms and conditions that could be obtained on the date hereof, assuming that GCI has not entered into a transaction after the date hereof that materially adversely alters its ability to secure financing as contemplated above. For purposes of this Section 8.2(m), a draw on an existing revolving credit facility (to the extent permitted on the date hereof) shall not be considered to be entering into a transaction after the date hereof.

(n) Customer Billing Arrangements. GCI shall have entered into a reasonably acceptable arrangement with CommSoft and any other Person necessary to provide billing and customer care to Subscribers after Closing, and GCI shall have been provided with the necessary customer information to enable GCI to bill Subscribers.

(o) CDMA Network Transition. ACS shall be ready, willing and able to transfer to GCI the operation of the CDMA Core Network, subject to ACS continuing to maintain and support the Post-Close Systems.

(p) Release. ACS shall have delivered a release, or evidence that a release will, upon Closing, be provided, of all Liens disclosed in the lien searches described in Section 8.2(e) that are on (i) the ACS AWN Interest (other than Permitted Liens described in clause (g) of the definition of Permitted Liens), or (ii) the ACS Assets.

SECTION 9. CLOSING AND CLOSING DELIVERIES

9.1 Time and Place of Closing. Subject to (i) the satisfaction or, to the extent permissible by Legal Requirements, waiver (by the Parent for whose benefit the closing condition is imposed), of the closing conditions described in Section 8, and (ii) the provisions of Section 10, the closing of the Transactions (the "**Closing**") will take place at the offices of GCI, 2550 Denali Street, Suite 1000, Anchorage, Alaska, at 10:00 a.m., local time, on the second Business Day following the date on which each of the conditions set forth in Section 8 is satisfied or waived by the Party entitled to waive such condition (except for any conditions that by their nature can only be satisfied on the Closing Date, but subject to the satisfaction of such conditions or waiver by the Party entitled to waive such conditions) (the "**Closing Date**"), or on such other date or at such other location as shall otherwise be mutually agreed upon by the Parents.

9.2 Deliveries by ACS and ACS Wireless. Prior to or on the Closing Date, and subject to the terms of Section 7.9, ACS and ACS Wireless shall deliver to GCI and GCI Wireless the following, in form and substance reasonably satisfactory to GCI Parent and its counsel:

(a) Transfer Documents. Duly executed Instruments of Assignment and the Assignment of Ownership Interest and duly executed bills of sale, assignments of the Assumed Contracts and such other transfer documents which shall be sufficient to vest good and marketable title to the ACS Assets in the name of GCI and the ACS AWN Interest in the name of GCI Wireless, free and clear of any Liens (except for in the case of any ACS Asset the Permitted Liens);

(b) Consents. The original of each Consent which has been obtained relating to the ACS Group;

(c) Secretary's Certificate. A certificate dated as of the Closing Date, executed by the Secretary or Assistant Secretary of each of ACS and ACS Wireless: (i) certifying that the resolutions, as attached to such certificate, were duly adopted by such Person's board of directors and shareholders (if required), authorizing and approving the execution of this Agreement and the consummation of the Transactions and that such resolutions remain in full force and effect; and (ii) providing, as attachments thereto, such Person's certificate or articles of incorporation, bylaws

or operating agreement and a certificate of good standing certified by an appropriate state official, and, if appropriate, certificates of qualification as a foreign corporation certified by an appropriate state official of those states in which such Person conducts the ACS Wireless Activities, all certified by such state officials as of a date not more than 20 days before the Closing Date and by such Person's Secretary or Assistant Secretary as of the Closing Date;

(d) Network Information. The Network Information set forth on Schedule 9.2; and

(e) Contracts, Activities Records, Etc. Copies of all Assumed Contracts other than consumer Subscriber Contracts, and all files and records included in the ACS Assets.

9.3 Deliveries by GCI. On the Closing Date, and subject to the terms of Section 7.9, GCI shall deliver to ACS and ACS Wireless the following, in form and substance reasonably satisfactory to ACS and its counsel:

(a) Assumption Agreements. Duly executed Instruments of Assumption, pursuant to which GCI shall assume and undertake to perform obligations arising after the Effective Time under the Assumed Contracts; and

(b) Secretary's Certificate. A certificate dated as of the Closing Date, executed by the Secretary or Assistant Secretary of each of GCI and GCI Wireless: (i) certifying that the resolutions, as attached to such certificate, were duly adopted by such Person's board of directors and shareholders (if required), authorizing and approving the execution of this Agreement and the consummation of the Transactions and that such resolutions remain in full force and effect; and (ii) providing, as attachments thereto, such Person's articles of incorporation, bylaws and a certificate of good standing certified by an appropriate state official, all certified by such state official as of a date not more than 20 days before the Closing Date and by such Person's Secretary or Assistant Secretary as of the Closing Date.

SECTION 10. RIGHTS OF THE PARTIES ON TERMINATION OR BREACH

10.1 Termination Rights. This Agreement may be terminated prior to the Closing:

(a) At any time by mutual written consent of both ACS and GCI;

(b) By ACS if (A) there have been one or more breaches by GCI Parent, GCI or GCI Wireless of any of their representations, warranties, covenants or agreements contained herein or in any Ancillary Agreement that have not been waived by ACS and would result in the failure to satisfy any of the conditions set forth in Section 8.1 (Conditions to Obligations of ACS Group) and such breaches have not been cured within ten days after written notice thereof has been received by GCI Parent or (B) any of the conditions set forth in Section 8.1 (Conditions to Obligations of ACS Group) has become incapable of being satisfied on or before the Outside Date and has not been waived by ACS; *provided*, *however*, that in each case that ACS and its Affiliates are not in material breach of any of their representations, warranties, covenants or agreements contained herein or in any Ancillary Agreement;

(c) By GCI if (A) there have been one or more breaches by ACS or ACS Wireless of any of their representations, warranties, covenants or agreements contained herein or in any Ancillary Agreement that have not been waived by GCI and would result in the failure to satisfy any of the conditions set forth in Section 8.2 (Conditions to Obligations of GCI and GCI Wireless) and such breaches have not been cured within ten days after written notice thereof has been received by ACS or (B) any of the conditions set forth in Section 8.2 (Conditions to Obligations of GCI and GCI Wireless) has become incapable of being satisfied on or before the Outside Date and has not been waived by GCI; *provided*, *however*, that in each case that GCI and its Affiliates are not in material breach of any of their representations, warranties, covenants or agreements contained herein or in any Ancillary Agreement;

(d) By either Party if the Closing hereunder has not taken place within five months of the Signing Date (the "**Outside Date**"); *provided*, *however*, that neither ACS nor GCI shall be permitted to terminate this Agreement pursuant to this Section 10.1(d) if the failure to consummate the Closing by such date results from material breach by such other Party or any of its Affiliates of any of their representations, warranties, covenants or agreements contained herein or in any Ancillary Agreement.

In the event of termination by ACS or GCI pursuant to this Section 10.1, written notice thereof shall promptly be given to the other Party, setting forth the clause of this Section 10.1 pursuant to which such Party is terminating and the facts giving rise to such Party's termination right in reasonable detail, and this Agreement and the Transactions shall be terminated, without further action by any Party. Upon such termination: (i) if no Party is in intentional or willful material breach of any provision of this Agreement, the Parties shall not have any further liability to each other; or (ii) if any Party shall be in intentional or willful material breach of any provision of this Agreement, the other Parties shall have all rights and remedies available at law or equity.

10.2 Specific Performance. Prior to termination of this Agreement, in the event any Party refuses to perform under the provisions of this Agreement, monetary damages alone will not be adequate. The other Parties shall therefore be entitled, in addition to any other remedies that may be available, including money damages, to obtain specific performance of the terms of this Agreement. In the event of an action by any of the Parties to obtain specific performance of the terms of this Agreement, each other Party hereby waives the defense that there is an adequate remedy at law.

SECTION 11. SURVIVAL OF REPRESENTATIONS AND WARRANTIES; INDEMNIFICATION

11.1 Affiliates. The indemnification rights provided in this Section 11 shall, in any instance, extend to any Affiliate of either Parent although any indemnification claims by such Persons shall be made by and through the Claimant.

11.2 Survival. All representations, warranties and pre-Closing covenants contained in this Agreement shall be deemed continuing representations, warranties and covenants, and shall survive the Closing Date for 18 months following the Closing Date with respect to any claim by the other Parent as the Person claiming indemnification (the "**Claimant**") that a Parent or an Affiliate

thereof that is a Party (the "**Indemnifier**") has breached its representations or warranties contained in this Agreement or failed to comply with its pre-Closing covenants contained herein; *provided*, *however*, that the representations and warranties set forth in Section 4.3(b) regarding title to the ACS Assets and Section 4.13 regarding title to the ACS AWN Interest shall survive for the period of the applicable statute of limitations, and those set forth in Section 4.8 (Environmental Law) relating to the pre-Closing period shall survive for five years following the Closing Date. In clarification of the foregoing, the Parties confirm that the covenants herein to be performed following the Closing, including under this Section 11, shall survive in each instance until 18 months after the required performance thereof. Any investigations by or on behalf of any Party or Knowledge of any Party shall not constitute a waiver by such Party of its rights to enforce any representation, warranty or covenant contained herein of the other Parties.

11.3 Indemnification by ACS. Subsequent to the Closing, and regardless of any investigation made at any time by or on behalf of any Party, or any information or Knowledge any other Party may have, ACS as Indemnifier shall indemnify and hold GCI Parent, as Claimant, harmless against and with respect to, and shall reimburse GCI Parent for:

(a) Any and all expenses, losses, liabilities or damages ("**Damages**") resulting from any untrue representation, breach of warranty or nonfulfillment of any covenant contained herein by ACS or its Affiliates;

(b) Any and all obligations or liabilities of ACS and its Affiliates not assumed by GCI or GCI Wireless pursuant to the terms hereof;

(c) Any and all Damages resulting from the ACS Wireless Activities or the ownership or operation of the ACS Assets or the ownership of the ACS AWN Interest prior to the Effective Time, including any and all liabilities which relate to events occurring prior to the Effective Time arising under the Assumed Contracts (other than Damages described in Section 11.3(e)), but excluding any and all matters subject to the Continuing Indemnification Obligations;

(d) (i) Any and all forfeitures, fines or monetary judgments (including voluntary contributions to the U.S. Treasury paid pursuant to an FCC-approved Consent Decree or other settlement to which the FCC is a party) in excess of overpayments of High Cost Universal Service Support from the Universal Service Fund (each, a "**Fine**") to the extent that any such Fine results from acts or omissions of any member of the ACS Group, including but not limited to deficiencies in the customer billing address, line type, line count or other information provided by the ACS Group, rather than from acts or omissions by the Company;

(ii) Any decrease in CETC Cash Flow from the ACS Wireless Activities due to failure to file any required reports necessary to maintain ACS's eligibility to receive High Cost Universal Service Support, failure to cooperate with any FCC or USAC required audit, including a Payment Quality Assurance review, or other investigation, or failure to respond to lawful process, in each case before the Closing, except to the extent that such failure resulted from acts or omissions by the Company with respect to actions required of the Company by Exhibit F to the FNUA;

(e) Any and all Damages resulting from any Environmental Claims (regardless of whether any representation or warranty contained in Section 4.8 is incorrect) related to the operation of any Leased Property prior to the Effective Time;

(f) Any and all Damages resulting from any claim that a collective bargaining agreement or other contract with a Union is binding upon GCI Parent or any of its Affiliates or imposes on GCI Parent or any of its Affiliates any duty to bargain with any Union to the extent such claim relates to any collective bargaining agreement or other contract with a Union by ACS or any of its Affiliates; and

(g) Any and all actions, suits, proceedings, claims, demands, assessments, judgments, reasonable costs and expenses, including reasonable legal fees and expenses, incident to any of the foregoing or reasonably incurred in investigating or attempting to avoid the same or to oppose the imposition thereof, or in enforcing this indemnity.

11.4 Indemnification by GCI. Subsequent to the Closing, GCI Parent, GCI and GCI Wireless shall indemnify and hold ACS and ACS Wireless harmless against and with respect to, and shall reimburse ACS and ACS Wireless for:

(a) Any and all Damages resulting from any untrue representation, breach of warranty or nonfulfillment of any covenant contained herein by GCI or its Affiliates;

(b) Any and all Damages resulting from (i) GCI's operation or ownership of the ACS Assets or the ACS Wireless Activities on and after the Effective Time, including any and all liabilities arising under the Assumed Contracts (other than Transition Contracts and Assumed Leases) which relate to events occurring after the Effective Time, any and all liabilities arising under Transition Contracts which relate to events occurring on or after the Transition Completion Date and any and all liabilities arising under the Assumed Leases which relate to events occurring on or after the Assumed Leases Assumption Date, (ii) Assumed Liabilities and (iii) ownership of the ACS AWN Interest on and after the Effective Time;

(c) If GCI makes an election pursuant to option (1) of Section 7.8(b), any and all Damages resulting from the transfer to GCI by ACS of any such Assumed Contract prior to the receipt of the Consent required for the assignment thereof, contingent upon such Consent having been waived by GCI as a precondition to such assignment; and

(d) Any and all actions, suits, proceedings, claims, demands, assessments, judgments, costs and expenses, including reasonable legal fees and expenses, incident to any of the foregoing or incurred in investigating or attempting to avoid the same or to oppose the imposition thereof, or in enforcing this indemnity.

11.5 Procedure for Indemnification. The procedure for indemnification shall be as follows:

(a) The Claimant, as the party claiming indemnification, shall give written notice to the Indemnifier of any claim, whether between or among Parties or brought by a Third Party,

within 20 days of receiving notice, or becoming aware, thereof and specifying (i) the factual basis for such claim (to the extent known by the Claimant) and (ii) if known, the amount of the claim; *provided* that failure to give such notice within 20 days shall not constitute a defense to any claim for indemnification unless, and only to the extent that, such failure materially prejudices the Indemnifier except that the Indemnifier shall not be liable for any expenses incurred during the period in which the Claimant failed to give such notice. Thereafter, the Claimant shall deliver to the Indemnifier, promptly following the Claimant's receipt thereof, copies of all notices and documents (including court papers) received by the Claimant relating to the claim.

(b) Following receipt of notice from the Claimant of a claim, the Indemnifier shall have 30 days to make such investigation of the claim as the Indemnifier deems necessary or desirable. For the purposes of such investigation, the Claimant agrees to make available to the Indemnifier and/or its authorized representative(s) the information relied upon by the Claimant to substantiate the claim. If the Claimant and the Indemnifier agree at or prior to the expiration of said 30 day period (or any mutually agreed upon extension thereof) to the validity and amount of such claim, the Indemnifier shall immediately pay to the Claimant the full amount of the claim. If the Claimant and the Indemnifier do not agree within such period (or any mutually agreed upon extension thereof), the Claimant may seek a remedy in accordance with the applicable provisions of this Agreement.

(c) With respect to any claim by a Third Party as to which a Claimant is claiming indemnification hereunder, the Indemnifier shall have the right, at its own expense, to participate in or assume control of the defense of such claim with counsel selected by the Indemnifier, and the Claimant shall cooperate fully with the Indemnifier, subject to reimbursement for actual out-of-pocket expenses incurred by the Claimant as the result of a request by the Indemnifier. Such cooperation shall include the retention and (upon the Indemnifier's request) the provision to the Indemnifier of records and information that are reasonably relevant to such Third Party claim, and making employees available at such times and places as may be reasonably necessary to defend against such Third Party claim for the purpose of providing additional information, explanation or testimony in connection with such Third Party claim. If the Indemnifier elects to assume control of the defense of any Third Party claim, the Indemnifier shall have the right to assert any counterclaims or defenses available to Claimant against such Third Party, and the Claimant shall have the right to participate in the defense of such claim at its own expense and to employ counsel (not reasonably objected to by the Indemnifier), at its own expense, separate from the counsel employed by the Indemnifier, it being understood that the Indemnifier shall control such defense; *provided* that if the Claimant shall have reasonably concluded that separate counsel is required because a conflict of interest would otherwise exist, the Claimant shall have the right to select separate counsel to participate in the defense of such action on its behalf, at the expense of the Indemnifier. If the Indemnifier does not elect to assume control or otherwise participate in the defense of any Third Party claim, it shall be bound by the results obtained by the Claimant with respect to such claim. If the Indemnifier assumes the defense of a Third Party claim in accordance with this Section 11.5(c), the Indemnifier shall not be liable to the Claimant for any legal expenses subsequently incurred by the Claimant in connection with the defense thereof. Whether or not the Indemnifier assumes the defense of a Third Party claim, the Claimant shall not admit any liability with respect to, or settle, compromise or discharge, such Third Party claim without the Indemnifier's

prior written consent, and the Indemnifier shall not have any indemnification obligation with respect to any settlement, compromise or discharge effected without its prior written consent.

11.6 Limitations. The Indemnifier's obligations to indemnify the Claimant pursuant to Section 11.3 or 11.4 shall be subject to the following limitations:

(a) The Claimant shall be entitled to indemnification only for those Damages arising with respect to any claim as to which Claimant has given the Indemnifier written notice within the appropriate time period set forth in Section 11.2 hereof for such claim.

(b) Claimant's Damages sought to be recovered under Section 11.3 or 11.4 hereof shall be net of any insurance proceeds actually received by Claimant with respect to the events giving rise to such Damages. If the incurrence or payment of any such Damages makes allowable to the Indemnified Party any deduction, amortization, exclusion from income or other allowance (a "**Tax Benefit**") which would not, but for such adjustment, be allowable, then the indemnification payment to the Claimant under this Section 11 shall be an amount equal to (i) the amount otherwise due but for this sentence, minus (ii) the amount of Tax savings actually realized by the Claimant as a result of the Tax Benefit in the Tax year in which the Damages were incurred (a "**Tax Savings**"). If and to the extent that subsequent to any payment of Damages by any Indemnifier to a Claimant hereunder, such Claimant receives insurance proceeds or realizes a Tax Savings with respect to the events giving rise to such Damages, which proceeds or Tax Savings would have been netted against such Damages if they had been received prior to the Indemnifier's payment of such Damages, then the Claimant shall remit such insurance proceeds or the amount of such Tax Savings to Indemnifier to the extent such proceeds or amount would have been netted against such Damages.

(c) ACS shall not be liable for indemnification under Section 11.3(a), 11.3(e) or 11.3(g) (to the extent relating to Section 11.3(a) or 11.3(e)) (other than with respect to claims for indemnification based upon, arising out of, with respect to or by reason of fraud, intentional misrepresentation or other willful misconduct, any breach of any covenant, or any pre-Closing liabilities of the ACS Group that are not Assumed Liabilities (the "**Basket/Cap Exclusions**")), until the aggregate amount of all indemnification payments for which ACS is liable in respect of indemnification under such Sections (other than with respect to claims for indemnification based upon the Basket/Cap Exclusions) exceeds $1,000,000 (the "**Basket**"), in which event ACS shall be required to pay all indemnification payments including the amount of the Basket.

(d) The aggregate amount of all indemnification payments for which ACS shall be liable pursuant to Section 11.3(a), 11.3(e) and 11.3(g) (to the extent relating to Section 11.3(a) or 11.3(e)) (other than with respect to claims for indemnification based upon, arising out of, with respect to or by reason of the Basket/Cap Exclusions) shall not exceed $50,000,000.

(e) The Parties agree that the amount of Damages attributable to a breach of the representation contained in Section 4.5 that no Consent is required for the assignment or transfer of any Postpaid Subscriber Contract shall be $350 multiplied by the number of Wireless lines with respect to such Postpaid Subscriber Contract; *provided*, *however*, that the amount of such Damages shall be $0 if (i) such Contract was listed on the Subscriber Contract Consent List and a Non-

Election Notice is not delivered by GCI with respect to such Postpaid Subscriber Contract or (ii) such Contract is not terminated by the Subscriber within six months after the Closing Date.

(f) No member of the ACS Group shall be liable for any Damages to GCI or any of its Affiliates with respect to any loss or reduction in CETC Cash Flow if ACS and its Affiliates have complied with their obligations with respect to such CETC Cash Flow in this Agreement.

11.7 Taxes. In the event of any inconsistency between the provisions of Section 7.3 and the provisions of this Section 11, the provisions of Section 7.3 shall govern.

11.8 Treatment of Indemnification Payments. All indemnity payments made pursuant to this Section 11 shall be treated for all Tax purposes as adjustments to the Purchase Price to the extent permitted by applicable Legal Requirements.

11.9 Exclusive Remedy. Subject to Section 10.2, the Parties acknowledge and agree that, following the Closing, their sole and exclusive remedy with respect to any and all claims (other than claims arising from fraud on the part of a Party hereto in connection with the Transactions) for any breach of any representation, warranty, covenant, agreement or obligation set forth herein, shall be pursuant to the indemnification provisions set forth in Section 7.3 or this Section 11. In furtherance of the foregoing, each Party hereby waives, to the fullest extent permitted under law, any and all rights, claims and causes of action for any breach of any representation, warranty, covenant, agreement or obligation set forth herein it may have against the other Parties hereto and their Affiliates and each of their respective representatives arising under or based upon any law, except pursuant to the provisions set forth in Section 7.3 or this Section 11. Nothing in this Section 11.9 shall limit any Person's right to seek and obtain any equitable relief to which any Person shall be entitled or to seek any remedy on account of any fraud.

SECTION 12.MISCELLANEOUS

12.1 Notices. All notices, demands and requests required or permitted to be given under the provisions of this Agreement shall be (i) in writing, (ii) sent by email as a portable document format (PDF) file, delivered by personal delivery, or sent by commercial delivery service or certified mail, return receipt requested, (iii) deemed to have been given on the date sent by email as a portable document format (PDF) file with receipt confirmed, the date of personal delivery, or the date set forth in the records of the delivery service or on the return receipt, and (iv) addressed as follows:

If to the Company: The Alaska Wireless Network, LLC
c/o General Communication, Inc.
2550 Denali Street, Suite 1000
Anchorage, Alaska 99503
Attention: CEO
Email: whughes@GCI.com

with a copy (which shall not alone constitute notice) to: Sherman & Howard L.L.C.
633 17th Street, Suite 3000
Denver, CO 80202
Attention: Steven D. Miller
Email: smiller@shermanhoward.com

If to GCI Parent, GCI or GCI Wireless: General Communication, Inc.
2550 Denali Street, Suite 1000
Anchorage, Alaska 99503
Attention: General Counsel
Email: tpidgeon@gci.com

with a copy (which shall not alone constitute notice) to: Sherman & Howard L.L.C.
633 17th Street, Suite 3000
Denver, CO 80202
Attention: Steven D. Miller
Email: smiller@shermanhoward.com

If to ACS or ACS Wireless: Alaska Communications Systems Group, Inc.
600 Telephone Avenue
Anchorage, Alaska 99503
Attention: General Counsel
Email: leonard.steinberg@acsalaska.com

with a copy (which shall not alone constitute notice) to: Sidley Austin LLP
787 Seventh Avenue
New York, New York 10019
Attention: Irving L. Rotter
Gabriel Saltarelli
Email: irotter@sidley.com
gsaltarelli@sidley.com

or to any such other or additional Persons and addresses as the Person to whom notice is to be provided may from time to time designate in a writing delivered in accordance with this Section 12.1.

12.2 Benefit and Binding Effect. This Agreement shall inure solely to the benefit of the Parties, without conferring on any other Person any rights of enforcement or other rights. No Party may assign this Agreement without the prior written consent of the other Parties. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

12.3 Entire Agreement. This Agreement together with the Ancillary Agreements and all exhibits and schedules hereto or thereto, and all documents and certificates delivered by the Parties contemporaneously and in connection herewith, or to be delivered by the Parties pursuant hereto or in connection herewith, collectively represent the entire understanding and agreement between the Parties with respect to the subject matter hereof. This Agreement together with the Ancillary Agreements supersede all prior negotiations, letters of intent or other writings between the Parties with respect to the subject matter hereof, and cannot be amended, supplemented or modified except by a written agreement which makes specific reference to this Agreement or an Ancillary Agreement, as the case may be, and which is signed by the Party against which enforcement of any such amendment, supplement or modification is sought.

12.4 Waiver of Compliance; Consents. Except as otherwise provided in this Agreement, any failure of any Party to comply with any obligation, representation, warranty, covenant, agreement or condition herein may be waived by the Party entitled to the benefits thereof only by a written instrument signed by the Party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, representation, warranty, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Whenever this Agreement requires or permits consent by or on behalf of any Party, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance as set forth in this Section 12.4.

12.5 Severability. If any provision hereof or the application thereof to any Person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by applicable Legal Requirements.

12.6 Prevailing Party. If any Party commences any Proceeding against another Party to interpret or enforce any of the terms of this Agreement as a result of an alleged breach by the other Party of any terms hereof, the nonprevailing Party shall pay to the prevailing Party reasonable attorneys' fees, costs and expenses incurred in connection with the prosecution or defense of such Proceeding (including at any appellate level).

12.7 No Consequential or Indirect Damages. Except to the extent payable to a Third Party with respect to indemnification claims under Section 11.5(c), in no event shall any Party be liable under this Agreement to another Party for any punitive, incidental, indirect, special or consequential damages, including any damages for business interruption, loss of use, revenue or profit, whether arising out of breach of contract, tort (including negligence) or otherwise, regardless of whether such damages were foreseeable and whether or not the breaching Party was advised of the possibility of such damages.

12.8 Governing Law. This Agreement shall be governed, construed and enforced in accordance with the laws of the State of Delaware, without regard to conflicts of law principles thereunder.

12.9 Selection of Forum; Venue; Service of Process. The Parties hereby irrevocably submit in any Proceeding arising out of or relating to this Agreement or any Transactions to the

exclusive jurisdiction of the United States District Court for the District of Alaska or if jurisdiction is not available therein the jurisdiction of any court of the State of Alaska, and waive any and all objections to such jurisdiction or venue that they may have under the laws of any state or country, including any argument that jurisdiction, sites and/or venue are inconvenient or otherwise improper. Each Party further agrees that process may be served upon such Party in any manner authorized under the laws of the United States or Alaska, and waives any objections that such Party may otherwise have to such process.

12.10 WAIVER OF JURY TRIAL. EACH PARTY HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, INVOLVING OR OTHERWISE IN RESPECT OF THIS AGREEMENT, ANY ANCILLARY AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY OR THEREBY. EACH PARTY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE ANCILLARY AGREEMENTS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 12.10.

12.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, and all of which counterparts together shall constitute one and the same fully executed instrument.

Signature page follows

IN WITNESS WHEREOF, this Agreement has been duly executed by the Parties as of the date first above written.

ALASKA COMMUNICATIONS SYSTEMS GROUP, INC.

By: /s/ David C. Eisenberg
Name: David C. Eisenberg
Title: Chief Revenue Officer

ACS WIRELESS, INC.

By: /s/ David C. Eisenberg
Name: David C. Eisenberg
Title: Chief Revenue Officer

GCI COMMUNICATION CORP.

By: /s/ Peter Pounds
Name: Peter Pounds
Title: Chief Financial Officer

GCI WIRELESS HOLDINGS, LLC

By: /s/ Peter Pounds
Name: Peter Pounds
Title: Manager

THE ALASKA WIRELESS NETWORK, LLC

By: /s/ Wilson Hughes
Name: Wilson Hughes
Title: CEO

GENERAL COMMUNICATION, INC.

By: /s/ Peter Pounds
Name: Peter Pounds
Title: Chief Financial Officer

Exhibit 4.1

AMENDED AND RESTATED 1986 STOCK OPTION PLAN
OF
GENERAL COMMUNICATION, INC.

Restated Effective September 26, 2014

TABLE OF CONTENTS

Amended and Restated 1986 Stock Option Plan
of General Communication, Inc.

Restated Effective September 26, 2014

1. PURPOSE AND TERM OF PLAN.

1.1. **Restatement of Plan**. The Amended and Restated 1986 Stock Option Plan of General Communication, Inc. (the "***Plan***"), which previously was restated in its entirety effective as of June 27, 2005, the date of its approval by the shareholders of the Company, hereby is restated again in its entirety by this document effective as of September 26, 2014 (the "***Effective Date***").

1.2. **Purpose**. The purpose of the Plan is to provide a special incentive to selected officers, directors and other employees of, and consultants and advisors to, General Communication, Inc. and its present and future subsidiaries in order to promote the business of the Company and to encourage such persons to accept or continue their relationship with the Company. Accordingly, the Plan seeks to achieve this purpose by providing for Options and Restricted Stock Awards.

1.3. **Term of Plan**. The Plan shall continue in effect until the earlier of its termination by the Board or the date on which all of the shares of Stock available for issuance under the Plan have been issued and all restrictions on such shares under the terms of the Plan and the agreements evidencing Awards granted under the Plan have lapsed.

2. DEFINITIONS AND CONSTRUCTION.

2.1. **Definitions**. As used in the Plan, the following terms shall have the indicated meanings:

"***Award***" means any Option or Restricted Stock Award granted under the Plan.

"***Award Agreement***" means a written agreement between the Company and a Participant setting forth the terms, conditions and restrictions of the Award granted to the Participant. An Award Agreement may be an "Option Agreement" or a "Restricted Stock Agreement."

"***Board***" means the Board of Directors of the Company.

"***Change of Control***" means the occurrence of any transaction (or series of related transactions) in which (i) any person (as such term is defined in Section 13(d)(3) and 14(d)(2) of the Exchange Act), corporation or other entity (other than the Company, any Subsidiary, any

employee benefit plan sponsored by the Company or any Subsidiary shall become the owner, directly or indirectly, beneficially or of record, of securities of the Company representing 50% or more of the combined voting power of the then outstanding securities of the Company ordinarily (and apart from the rights accruing under special circumstances) having the right to vote in the election of directors, or (ii) the Company sells, leases, exchanges or otherwise transfers (in one transaction or a series of related transactions), but other than by way of merger or consolidation, of all or substantially all of the assets of the Company to any person (as such term is defined in Section 13(d)(3) and 14(d)(2) of the Exchange Act).

"***Code***" means the Internal Revenue Code of 1986, as amended, and any applicable regulations promulgated thereunder.

"***Committee***" means the Compensation Committee or other committee of the Board duly appointed to administer the Plan and having such powers as shall be specified by the Board. If no committee of the Board has been appointed to administer the Plan, the Board shall exercise all of the powers of the Committee granted herein, and, in any event, the Board may in its discretion exercise any or all of such powers.

"***Company***" means General Communication, Inc., an Alaska corporation, or any successor corporation thereto.

"***Consultant***" means a person engaged to provide consulting or advisory services (other than as an Employee or a member of the Board) to the Company or a Subsidiary.

"***Director***" means a member of the Board.

"***Disability***" means the permanent and total disability of the Participant, within the meaning of Section 22(e)(3) of the Code.

"***Employee***" means any person treated as an employee (including an Officer or a member of the Board who is also treated as an employee) in the records of the Company or a Subsidiary and, with respect to any Incentive Stock Option granted to such person, who is an employee for purposes of Section 422 of the Code; provided, however, that neither service as a member of the Board nor payment of a director's fee shall be sufficient to constitute employment for purposes of the Plan. The Company shall determine in good faith and in the exercise of its discretion whether an individual has become or has ceased to be an Employee and the effective date of such individual's employment or termination of employment, as the case may be. For purposes of an individual's rights, if any, under the Plan as of the time of the Company's determination, all such determinations by the Company shall be final, binding and conclusive, notwithstanding that the Company or any court of law or governmental agency subsequently makes a contrary determination.

"***Exchange Act***" means the Securities Exchange Act of 1934, as amended.

"***Fair Market Value***" means the closing price of the Stock on the principal exchange on which the stock is traded or, if the Stock is not traded on an exchange, as reported by Nasdaq, or, if the closing price of the Stock is not reported by Nasdaq, the fair market value of the Stock as determined by the Committee in good faith by any reasonable means, in each case, on such date of determination.

"***Incentive Stock Option***" means an Option intended to be (as set forth in the applicable Award Agreement) and which qualifies as an incentive stock option within the meaning of Section 422(b) of the Code.

"***Insider***" means an Officer, a Director or any other person whose transactions in Stock are subject to Section 16 of the Exchange Act.

"***ISO-Qualifying Corporation***" means the Company or a Subsidiary that is a "subsidiary corporation" of the Company as defined in Section 424(f) of the Code.

"***Nonstatutory Stock Option***" means an Option not intended to be (as set forth in the applicable Award Agreement) an incentive stock option within the meaning of Section 422(b) of the Code.

"***Officer***" means any person designated by the Board as an officer of the Company.

"***Option***" means the right to purchase Stock at a stated price for a specified period of time granted to a Participant pursuant to Section 6 of the Plan. An Option may be either an Incentive Stock Option or a Nonstatutory Stock Option.

"***Participant***" means any person to whom an Award may be granted pursuant to Section 5 of the Plan and to whom one or more Awards has been granted.

"***Restricted Stock***" means Stock issued to a Participant subject to vesting conditions.

"***Restricted Stock Award***" means an Award of Restricted Stock pursuant to Section 7 of the Plan.

"***Rule 16b-3***" means Rule 16b-3 under the Exchange Act, as amended from time to time, or any successor rule or regulation.

"***Section 162(m)***"means Section 162(m) of the Code.

"***Securities Act***" means the Securities Act of 1933, as amended.

"***Service***" means a Participant's employment or service with the Company or a Subsidiary, whether in the capacity of an Employee, a Director or a Consultant. A Participant's Service shall not be deemed to have terminated merely because of a change in the capacity in which the Participant renders such Service or a change in the entity for which the Participant renders such Service, provided that there is no interruption or termination of the Participant's Service. Furthermore, a Participant's Service shall not be deemed to have terminated if the Participant takes any military leave, sick leave, or other bona fide leave of absence approved by the Company. However, if any such leave taken by a Participant exceeds 90 days, then on the 181st day following the commencement of such leave any Incentive Stock Option held by the Participant shall cease to be treated as an Incentive Stock Option and instead shall be treated thereafter as a Nonstatutory Stock Option, unless the Participant's right to return to Service with the Company or a Subsidiary is guaranteed by statute or contract. Notwithstanding the foregoing, unless otherwise designated by the Company or required by law, a leave of absence shall not be treated as Service for purposes of determining vesting under the Participant's Award Agreement. A Participant's Service shall be deemed to have terminated either upon an actual termination of Service or upon the entity for which the Participant performs Service ceasing to be a Subsidiary. Subject to the foregoing, the Company, in its discretion, shall determine whether the Participant's Service has terminated and the effective date of such termination.

"***Stock***" means the Class A common stock of the Company.

"***Subsidiary***" means any entity in which the Company owns, directly or indirectly, more than 50% of the total voting power.

"***Ten Percent Owner***" means a Participant who, at the time an Option is granted to the Participant, owns stock possessing more than 10% of the total combined voting power of all classes of stock of all ISO-Qualifying Corporations within the meaning of Section 422(b)(6) of the Code.

"***Vesting Conditions***" mean those conditions established in Section 7 of the Plan prior to the satisfaction of which shares subject to a Restricted Stock Award remain subject to forfeiture in favor of the Company upon the Participant's termination of Service.

2.2. **Construction**. Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of the Plan. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

3. ADMINISTRATION.

3.1. **Administration by the Committee**. The Plan shall be administered by the Committee. A majority of the members of the Committee shall constitute a quorum, and all decisions, determinations and interpretations of the Committee shall be made by a majority of such quorum. All questions of interpretation of the Plan or of any Award shall be determined by the Committee, and such determinations shall be final and binding upon all persons having an interest in the Plan or such Award. Any decision, determination or interpretation of the Committee under the Plan in writing signed by all members of the Committee shall be fully effective as if it had been made by a majority vote at a meeting duly called and held.

3.2. **Administration with Respect to Insiders**. Unless otherwise determined by the Board, with respect to participation by Insiders in the Plan, at any time that any class of equity security of the Company is registered pursuant to Section 12 of the Exchange Act, the Plan shall be administered in compliance with the requirements, if any, of Rule 16b-3.

3.3. **Committee Complying with Section 162(m)**. If the Company is a "publicly held corporation" within the meaning of Section 162(m), the Board may establish a Committee of "outside directors" within the meaning of Section 162(m) to approve the grant of any Award which might reasonably be anticipated to result in the payment of employee remuneration that would otherwise exceed the limit on employee remuneration deductible for income tax purposes pursuant to Section 162(m).

3.4. **Powers of the Committee**. In addition to any other powers set forth in the Plan and subject to the provisions of the Plan, the Committee shall have the full and final power and authority, in its discretion:

(a) to determine the persons to whom, and the time or times at which, Awards shall be granted and the number of shares of Stock to be subject to each Award;

(b) to determine the type of Award granted and to designate Options as Incentive Stock Options or Nonstatutory Stock Options;

(c) to determine the Fair Market Value of shares of Stock or the fair market value of any other property;

(d) to determine the terms, conditions and restrictions applicable to each Award (which need not be identical) and any shares acquired pursuant thereto, including, without limitation, (i) the exercise or purchase price of shares purchased pursuant to any Award, (ii) the method of payment for shares purchased pursuant to any Award, (iii) the method for satisfaction of any tax withholding obligation arising in connection with an Award, including by the withholding or delivery of shares of Stock, (iv) the timing, terms and conditions of the exercisability or vesting of any Award or any shares acquired pursuant thereto, (v) the time of the expiration of any Award,

(vi) the effect of the Participant's termination of Service on any of the foregoing, and (vii) all other terms, conditions and restrictions applicable to any Award or shares acquired pursuant thereto not inconsistent with the terms of the Plan;

(e) to approve one or more forms of Award Agreement;

(f) to amend, modify, extend, cancel or renew any Award or to waive any restrictions or conditions applicable to any Award or any shares acquired pursuant thereto;

(g) to accelerate, continue, extend or defer the exercisability or vesting of any Award or any shares acquired pursuant thereto, including with respect to the period following a Participant's termination of Service;

(h) to decide all questions and settle all controversies and disputes which may arise in connection with the Plan; and

(i) to correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award Agreement, to interpret the Plan and to make all other determinations and take such other actions with respect to the Plan or any Award as the Committee may deem advisable to the extent not inconsistent with the provisions of the Plan or applicable law.

3.5. **Indemnification**. In addition to such other rights of indemnification as they may have as members of the Board or the Committee or as officers or employees of the Company or any Subsidiary, members of the Board or the Committee shall be indemnified by the Company against all reasonable expenses, including attorneys' fees, actually and necessarily 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 the Plan, or any right granted hereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by independent legal counsel selected by the Company) or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such person is liable for gross negligence, bad faith or intentional misconduct in duties; provided, however, that within 60 days after the institution of such action, suit or proceeding, such person shall offer to the Company, in writing, the opportunity at its own expense to handle and defend the same.

4. SHARES SUBJECT TO PLAN.

4.1. **Maximum Number of Shares Issuable**. Subject to adjustment as provided in Section 4.2, the maximum aggregate number of shares of Stock that may be issued under the Plan shall be 15,700,000 and shall consist of authorized but unissued or reacquired shares of Stock

or any combination thereof. If an outstanding Award for any reason expires or is terminated or canceled without having been exercised or settled in full, or if shares of Stock acquired pursuant to an Award subject to forfeiture are forfeited, the shares of Stock shall again be available for issuance under the Plan. Shares of Stock withheld or reacquired by the Company in satisfaction of tax withholding obligations pursuant to Section 10.2 shall not be deemed to have been issued pursuant to the Plan. If the exercise price of an Option is paid by tender to the Company of shares of Stock owned by the Participant, the number of shares available for issuance under the Plan shall be reduced by the net number of shares for which the Option is exercised.

4.2. **Adjustments for Changes in Capital Structure**. In the event of a stock dividend, stock split or other change in corporate structure or capitalization affecting the Stock, the number and kind of shares of stock on which Awards may be granted hereunder, the number and kind of shares of stock remaining subject to each Award outstanding at the time of such change and the Award price shall be appropriately adjusted by the Committee, whose determination shall be binding on all parties concerned. Subject to any required action by the shareholders, if the Company shall be the surviving corporation in any merger or consolidation (other than a merger or consolidation in which the Company survives but its outstanding shares are converted into securities of another corporation or exchanged for other consideration), any Award granted hereunder shall pertain and apply to the securities which a holder of the number of shares of Stock then subject to the Award should have been entitled to receive. A dissolution or liquidation of the Company or a merger or consolidation in which the Company is not the surviving corporation or its outstanding shares are so converted or exchanged shall cause every option hereunder to terminate, but at least 20 days prior to the effective date of any such dissolution or liquidation (or if earlier any related sale of all or substantially all assets) or of any such merger or consolidation, the Committee shall either make all Awards outstanding hereunder immediately exercisable or arrange that the successor or surviving corporation, if any, grant replacement Awards. The Committee in its sole discretion, also may make such adjustments in the terms of any Award to reflect, or related to, such changes in the capital structure of the Company or distributions as it deems appropriate, including modification of any performance criteria or performance period applicable to such award.

5. ELIGIBILITY AND AWARD LIMITATIONS.

5.1. **Persons Eligible for Awards**. Awards may be granted only to Employees, Consultants and Directors. For purposes of the foregoing sentence, "Employees," "Consultants" and "Directors" shall include prospective Employees, prospective Consultants and prospective Directors to whom Awards are granted in connection with written offers of an employment or other service relationship with the Company or a Subsidiary; provided, however, that no Stock subject to any such Award shall vest, become exercisable or be issued prior to the date on which such person commences Service.

5.2. **Participation**. Awards are granted solely at the discretion of the Committee. Eligible persons may be granted more than one Award.

5.3. **Award Limits.**

(a) ***Maximum Number of Shares Issuable as ISOs Under Plan***. Subject to adjustment as provided in Section 4.2, the maximum aggregate number of shares of Stock that may be issued under the Plan pursuant to the exercise of Incentive Stock Options is l3,200,000 shares, but no more than the total number of shares available for grant as Awards.

(b) ***Maximum Number of Shares Issuable to any Individual Under Plan***. The maximum number of shares that may be issued under Awards granted to any individual in a calendar year may not exceed 500,000 shares of Stock.

(c) ***Section 162(m) Award Limits***. The following limits shall apply to the grant of any Award if, at the time of grant, the Company is a "publicly held corporation" within the meaning of Section 162(m).

(i) **Options**. Subject to adjustment as provided in Section 4.2, no Employee shall be granted within any fiscal year of the Company one or more Options which in the aggregate are for more than 500,000 shares of Stock.

(ii) **Restricted Stock Awards**. Subject to adjustment as provided in Section 4.2, no Employee shall be granted within any fiscal year of the Company one or more Restricted Stock Awards for more than 500,000 shares of Stock.

6. TERMS AND CONDITIONS OF OPTIONS.

Options shall be evidenced by Award Agreements specifying the number of shares of Stock covered thereby, in such form as the Committee shall from time to time establish. No Option or purported Option shall be a valid and binding obligation of the Company unless evidenced by a fully executed Award Agreement. Award Agreements evidencing Options may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

6.1. **Exercise Price**. The exercise price for each Option covering a share of Stock shall be determined by the Committee and shall equal an amount that is not less than the Fair Market Value of a share of Stock on the effective date of the grant of the Option; provided, however, that no Incentive Stock Option granted to a Ten Percent Owner shall have an exercise price per share less than 110% of the Fair Market Value of a share of Stock on the effective date of the grant of the Option.

6.2. **Exercisability and Term of Options**. Options shall be exercisable at such time or times, or upon such event or events, and subject to such terms, conditions, performance criteria and restrictions as shall be determined by the Committee and set forth in the Award Agreement evidencing such Option; provided, however, that (a) no Option shall be exercisable after the expiration of 10 years after the effective date of grant of such Option, and (b) no Incentive Stock Option granted to a Ten Percent Owner shall be exercisable after the expiration of five years after the effective date of grant of such Option.

6.3. **Special Vesting Provisions for Options**. Notwithstanding any other provision of this Plan or any Award Agreement,

(a) ***Vesting Upon Death or Disability.*** If a Participant's Service terminates on or after September 26, 2014, because of the death or Disability of the Participant, any unvested Options held by the Participant as of the date of such termination shall become fully (100%) vested effective as of the date of such termination, and shall be exercisable as provided in Section 6.4.

(b) ***Vesting Upon Termination Without Cause or For Good Reason After Change of Control.*** If a Participant's Service is involuntarily terminated without Cause (as such term is defined in Section 6.5(a)(iv)), or if the Participant's Service is terminated by the Participant for Good Reason (as defined below), within 12 months after a Change of Control, any unvested Options held by the Participant as of the date of such termination shall become fully (100%) vested as of the date of such termination, and shall be exercisable as provided in Section 6.4.

(i) A Participant will be deemed to have terminated his or her Service for Good Reason if there occurs one or more of the following conditions without the consent of the Participant, and the Participant provides written notice to the Committee of the existence of such condition within 90 days after the initial occurrence of the condition, and the Company does not cure the condition within 60 days of such notice:

(A) A material (10% or more) reduction in Participant's base compensation;

(B) A material diminution in the Participant's authority, duties, responsibilities, or title as determined by the Committee; or

(C) A material change in the geographic location (50 miles or more) at which the Participant regularly performs Services.

6.4. **Payment of Exercise Price**.

(a) ***Forms of Consideration Authorized***. Except as otherwise provided below, payment of the exercise price for the number of shares of Stock being purchased pursuant to any Option shall be made (i) in cash, by check or in cash equivalent, (ii) by tender to the Company of shares of Stock owned by the Participant having a Fair Market Value not less than the exercise price; (iii) by delivery of a properly executed notice of exercise together with irrevocable instructions to a broker providing for the assignment to the Company of the proceeds of a sale or loan with respect to some or all of the shares being acquired upon the exercise of the Option (including, without limitation, through an exercise complying with the provisions of Regulation T as promulgated from time to time by the Board of Governors of the Federal Reserve System) (a "***Cashless Exercise***"), (iv) by such other consideration as may be approved by the Committee from time to time to the extent permitted by applicable law, or (v) by any combination thereof. The Committee may at any time or from time to time grant Options which do not permit all of the foregoing forms of consideration to be used in payment of the exercise price or which otherwise restrict one or more forms of consideration.

(b) ***Limitations on Forms of Consideration***.

(i) **Tender of Stock**. Notwithstanding the foregoing, an Option may not be exercised by tender to the Company of shares of Stock to the extent such tender would constitute a violation of the provisions of any law, regulation or agreement restricting the redemption of the Company's stock. Unless otherwise provided by the Committee, an Option may not be exercised by tender to the Company of shares of Stock unless such shares either have been owned by the Participant for more than 6 months or were not acquired, directly or indirectly, from the Company.

(ii) **Cashless Exercise**. The Company reserves, at any and all times, the right, in the Company's sole and absolute discretion, to establish, decline to approve or terminate any program or procedures for the exercise of Options by means of a Cashless Exercise, including with respect to one or more Participants specified by the Company notwithstanding that such program or procedures may be available to other Participants.

6.5. **Effect of Termination of Service.**

(a) ***Option Exercisability***. Subject to earlier termination of the Option as otherwise provided herein and unless otherwise provided by the Committee in the grant of an Option and set forth in the Award Agreement, an Option shall be exercisable after a Participant's termination of Service only during the applicable time period determined in accordance with this Section and thereafter shall terminate:

(i) **Disability**. If the Participant's Service terminates because of the Disability of the Participant, the Option, to the extent unexercised and exercisable on the date on which the Participant's Service terminated, may be exercised by the Participant (or the Participant's guardian or legal representative) at any time prior to the expiration of 12 months after the date on which the Participant's Service terminated, but in any event no later than the date of expiration of the Option's term as set forth in the Award Agreement evidencing such Option (the "***Option Expiration Date***").

(ii) **Death**. If the Participant's Service terminates because of the death of the Participant, the Option, to the extent unexercised and exercisable on the date on which the Participant's Service terminated, may be exercised by the Participant's legal representative or other person who acquired the right to exercise the Option by reason of the Participant's death at any time prior to the expiration of 12 months after the date on which the Participant's Service terminated, but in any event no later than the Option Expiration Date. The Participant's Service shall be deemed to have terminated on account of death if the Participant dies within three months after the Participant's termination of Service.

(iii) **Other Termination of Service**. If the Participant's Service terminates for any reason other than Disability, death, or for Cause, the Option, to the extent unexercised and exercisable by the Participant on the date on which the Participant's Service terminated, may be exercised by the Participant at any time prior to the expiration of 30 days after the date on which the Participant's Service terminated, but in any event no later than the Option Expiration Date.

(iv) **Termination for Cause**. If the Participant's Service terminates for Cause, then all Options held by the Participant as of such termination (whether or not exercisable) shall be terminated and canceled and the Participant shall have no further rights under this Plan. For purposes of this Section 6.5(a)(iv), "Cause" shall have the meaning ascribed thereto in any employment agreement with the Company or any Subsidiary to which such Participant is a party or, in the absence thereof, shall include but not be limited to an illegal or negligent action by the Participant that materially adversely affects the Company or any Subsidiary or, engaging in misconduct involving serious moral turpitude, or the failure or refusal to perform one's duties and responsibilities for any reason other than illness or incapacity; provided, however, that if such termination occurs within 12 months after a Change of Control of the Company (as determined by the Committee, in its sole discretion), "cause" shall mean only a felony conviction for fraud, misappropriation or embezzlement.

(b) ***Extension if Exercise Prevented by Law***. Notwithstanding the foregoing, if the exercise of an Option within the applicable time periods set forth in Section 6.5(a) is prevented by the provisions of Section 9 below, the Option shall remain exercisable until three

months (or such longer period of time as determined by the Committee, in its discretion) after the date the Participant is notified by the Company that the Option is exercisable, but in any event no later than the Option Expiration Date.

(c) ***Extension if Participant Subject to Section 16(b)***. Notwithstanding the foregoing, if a sale within the applicable time periods set forth in Section 6.5(a) of shares acquired upon the exercise of the Option would subject the Participant to suit under Section 16(b) of the Exchange Act, the Option shall remain exercisable until the earliest to occur of (i) the 10th day following the date on which a sale of such shares by the Participant would no longer be subject to such suit, (ii) the 190th day after the Participant's termination of Service, or (iii) the Option Expiration Date.

6.6. **Transferability of Options**. Except as otherwise provided in this Section 6.6, during the lifetime of the Participant, an Option shall be exercisable only by the Participant or the Participant's guardian or legal representative. Prior to the issuance of shares of Stock upon the exercise of an Option, the Option shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. Notwithstanding the foregoing, the Participant, with the approval of the Committee, may transfer the Option for no consideration to or for the benefit of the Participant's immediate family (including, without limitation, to a trust for the benefit of the Participant's immediate family or to a partnership or limited liability company for one or more members of the Participant's immediate family), subject to such limits as the Committee may establish, and the transferee shall remain subject to all the terms and conditions applicable to the Option prior to such transfer. The foregoing right to transfer the Option shall apply to the right to consent to amendments to this Plan and the Award Agreement and, in the discretion of the Committee, shall also apply to the right to transfer ancillary rights associated with the Option. The term "immediate family" shall mean the Participant's spouse, parents, children, stepchildren, adoptive relationships, sisters, brothers and grandchildren (and, for this purpose, shall also include the Participant). In addition, notwithstanding the foregoing, to the extent permitted by the Committee, in its discretion, and set forth in the Award Agreement evidencing such Option, a Nonstatutory Stock Option shall be assignable or transferable subject to the applicable limitations, if any, described in the General Instructions to Form S-8 Registration Statement under the Securities Act. Any attempted assignment, transfer, pledge, hypothecation or other disposition of any option contrary to the provisions of the Plan, and any levy of any attachment or similar process upon an option will be null and void and without effect, and the Committee may, in its discretion, upon the happening of any such event, terminate an option forthwith.

6.7. **Incentive Stock Option Limitations.**

(a) ***Persons Eligible***. An Incentive Stock Option may be granted only to a person who, on the effective date of grant, is an Employee of an ISOQualifying Corporation. Any person who is not an Employee of an ISO-Qualifying Corporation on the effective date of the grant of an Option to such person may be granted only a Nonstatutory Stock Option. An Incentive Stock Option granted to a prospective Employee upon the condition that such person become an Employee of an ISOQualifying Corporation shall be deemed granted effective on the date such person commences Service with an ISO-Qualifying Corporation, with an exercise price determined as of such date in accordance with Section 6.1.

(b) ***Fair Market Value Limitation***. To the extent that options designated as Incentive Stock Options (granted under all stock option plans of the Company, including the Plan) become exercisable by a Participant for the first time during any calendar year for stock having a Fair Market Value greater than $100,000, the portion of such options which exceeds such amount shall be treated as Nonstatutory Stock Options. For purposes of this Section, options designated as Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of stock shall be determined as of the time the option with respect to such stock is granted. If the Code is amended to provide for a limitation different from that set forth in this Section, such different limitation shall be deemed incorporated herein effective as of the date and with respect to such Options as required or permitted by such amendment to the Code. If an Option is treated as an Incentive Stock Option in part and as a Nonstatutory Stock Option in part by reason of the limitation set forth in this Section, the Participant may designate which portion of such Option the Participant is exercising. In the absence of such designation, the Participant shall be deemed to have exercised the Incentive Stock Option portion of the Option first. Upon exercise, shares issued pursuant to each such portion shall be separately identified.

7. TERMS AND CONDITIONS OF RESTRICTED STOCK AWARDS.

Restricted Stock Awards shall be evidenced by Award Agreements specifying the number of shares of Stock subject to the Award, in such form as the Committee shall from time to time establish. No Restricted Stock Award or purported Restricted Stock Award shall be a valid and binding obligation of the Company unless evidenced by a fully executed Award Agreement. Award Agreements evidencing Restricted Stock Awards may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

7.1. **Purchase Price**. No monetary payment (other than applicable tax withholding) shall be required as a condition of receiving shares of Stock pursuant to a Restricted Stock Award, the consideration for which shall be services actually rendered to the Company or a Subsidiary or for its benefit. Notwithstanding the foregoing, the Participant shall furnish consideration in the form of cash or past services rendered to the Company or a Subsidiary or for

its benefit having a value not less than the par value of the shares of Stock subject to such Restricted Stock Award.

7.2. **Vesting**. Shares of Restricted Stock issued pursuant to any Restricted Stock Award shall be subject to the vesting conditions described in the Award Agreement.

7.3. **Special Vesting Provisions for Restricted Stock Awards**. Notwithstanding any other provision of this Plan or any Award Agreement,

(a) ***Vesting Upon Death or Disability.*** If a Participant's Service terminates on or after September 26, 2014, because of the death or Disability of the Participant, any shares of Restricted Stock held by the Participant as of the date of such termination shall become fully (100%) vested effective as of the date of such termination.

(b) ***Vesting Upon Termination Without Cause or For Good Reason After Change of Control.*** If a Participant's Service is involuntarily terminated without Cause (as such term is defined in Section 6.5(a)(iv)), or if the Participant's Service is terminated by the Participant for Good Reason (as defined in Section 6.3(b)), within 12 months after a Change of Control, any shares of Restricted Stock held by the Participant as of the date of such termination shall become fully (100%) vested as of the date of such termination.

(c) ***Vesting Upon Retirement.*** If a Participant's Service is terminated by the Participant for Retirement, any shares of Restricted Stock held by the Participant as of the date of such termination shall become 100% vested as of the date of such Retirement provided that the following conditions are satisfied:

(i) A Participant will be deemed to have terminated his or her Service for Retirement upon satisfaction of all of the following conditions:

(A) The Participant must be at least age 60; and

(B) The Retirement must have been approved in writing by the chief financial officer (CFO) of the Company; and

(C) the Participant's Service must continue until the date of Retirement approved by the CFO, and the Participant may be required to continue such Service to the Retirement date determined by the CFO and/or until a certain project is completed, as determined by the CFO.

(ii) In addition to the conditions set forth above, in order to be eligible for the accelerated vesting of the Restricted Stock after the Participant's Retirement, the Participant must not, from the date of Retirement for a period of two (2) years after such Retirement,

directly or indirectly, for the Participant or others, own, manage, operate, control, be employed by, consult with, assist or otherwise engage or participate in or permit the Participant's skill, knowledge, experience or reputation to be used in connection with, the ownership, management, operation or control of, any Competitor (as defined below); provided, however, that nothing contained herein shall prohibit the Participant from making passive investments as long as the Participant does not beneficially own more than three percent (3%) of the equity interests of a Competitor listed on a national securities exchange or publicly traded on a nationally recognized over-the-counter market (except through a passive pooled investment fund such as a hedge fund or mutual fund) (the "Non-compete Covenant"). For purposes of this Section, "Competitor" shall mean any business or enterprise that competes for or with the Company's business or the business of any affiliate of the Company in any state in the United States in which the Company does business, as such is constituted as of the date of the Participant's termination of employment.

(A) This Section 7.3(c)(ii) shall survive the expiration or termination of the Plan for any reason.

(B) If the Participant violates the Non-Compete Covenant, to the extent permitted by applicable law, the Participant will repay to the Company the number of shares of Restricted Stock that vested as of or after the date of the Participant's termination of Services or, if of greater value than the number of such shares, an amount equal to the value of the shares of Restricted Stock that vested after the Participant's termination of Service date based on the value of such shares as of each such vesting date (whether the vesting of such shares occurred prior or subsequent to the competitive activity). The existence of any unrelated claims which the Participant may have against the Company or any of its affiliates, whether under this Plan or otherwise, will not be a defense to the enforcement by the Company or its affiliates of any of their rights under this Section 7.3(c)(ii).

7.4. **Restrictions on Transfer**. Until shares subject to a Restricted Stock Award have vested, such shares may not be sold, exchanged, transferred, pledged, assigned or otherwise disposed of by the Participant. Upon request by the Company, each Participant shall execute an agreement evidencing such transfer restrictions prior to the receipt of shares of Stock hereunder and shall promptly present to the Company any and all certificates representing shares of Stock acquired hereunder for the placement on such certificates of appropriate legends evidencing any such transfer restrictions.

7.5. **Voting Rights; Dividends and Distributions**. Except as provided in this Section and any Award Agreement, the Participant shall have all of the rights of a shareholder of the Company with respect to unvested shares of Restricted Stock, including the right to vote such

shares and to receive all dividends and other distributions paid with respect to such shares. However, in the event of a dividend or distribution paid in shares of Stock or any other adjustment made upon a change in the capital structure of the Company as described in Section 4.2, any and all new, substituted or additional securities or other property (other than normal cash dividends) to which the Participant is entitled by reason of such unvested shares shall be immediately subject to the same vesting conditions as the unvested shares with respect to which such dividends or distributions were paid or adjustments were made.

7.6. **Effect of Termination of Service**. Unless otherwise provided in the Award Agreement, if a Participant's Service terminates for any reason, whether voluntarily or involuntarily (including the Participant's death or disability), then the Participant shall forfeit to the Company any shares of Restricted Stock which remain unvested as of the date of the Participant's termination of Service.

7.7. **Exercise of Rights**. All rights with respect to a Restricted Stock Award granted to a Participant hereunder shall be exercisable during his or her lifetime only by such Participant or the Participant's guardian or legal representative.

8. STANDARD FORMS OF AWARD AGREEMENT.

8.1. **Award Agreements**. Each Award shall comply with and be subject to the terms and conditions set forth in the appropriate form of Award Agreement approved by the Committee and as amended from time to time. Any Award Agreement may be in form or forms, including electronic media, as the Committee may approve from time to time.

8.2. **Authority to Vary Terms**. The Committee shall have the authority from time to time to vary the terms of any standard form of Award Agreement either in connection with the grant or amendment of an individual Award or in connection with the authorization of a new standard form or forms; provided, however, that the terms and conditions of any such new, revised or amended standard form or forms of Award Agreement are not inconsistent with the terms of the Plan.

9. COMPLIANCE WITH SECURITIES LAW.

The grant of Awards and the issuance of shares of Stock pursuant to any Award shall be subject to compliance with all applicable requirements of federal, state and foreign law with respect to such securities and the requirements of any stock exchange or market system upon which the Stock may then be listed. In addition, no Award may be exercised or shares issued pursuant to an Award unless (a) a registration statement under the Securities Act shall at the time of such exercise or issuance be in effect with respect to the shares issuable pursuant to the Award or (b) in the opinion of legal counsel to the Company, the shares issuable pursuant to the Award may be issued in

accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of any shares hereunder shall relieve the Company of any liability in respect of the failure to issue or sell such shares as to which such requisite authority shall not have been obtained. As a condition to issuance of any Stock, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

10. TAX WITHHOLDING.

10.1. **Tax Withholding in General**. The Company shall have the right to deduct from any and all payments made under the Plan, or to require the Participant, through payroll withholding, cash payment or otherwise, including by means of a Cashless Exercise of an Option, to make adequate provision for, the federal, state, local and foreign taxes, if any, required by law to be withheld by the Company or a Subsidiary with respect to an Award or the shares acquired pursuant thereto. The Company shall have no obligation to deliver shares of Stock, to release shares of Stock from an escrow established pursuant to an Award Agreement, or to make any payment in cash under the Plan until such tax withholding obligations have been satisfied by the Participant.

10.2. **Withholding in Shares**. The Company shall have the right, but not the obligation, to deduct from the shares of Stock issuable to a Participant upon the exercise or settlement of an Award, or to accept from the Participant the tender of, a number of whole shares of Stock having a Fair Market Value, as determined by the Company, equal to all or any part of the tax withholding obligations of the Company and its Subsidiaries. The Fair Market Value of any shares of Stock withheld or tendered to satisfy any such tax withholding obligations shall not exceed the amount determined by the applicable minimum statutory withholding rates.

11. AMENDMENT OR TERMINATION OF PLAN.

The Company may amend, suspend or terminate the Plan at any time. However, without the approval of the Company's shareholders, there shall be (a) no increase in the maximum aggregate number of shares of Stock that may be issued under the Plan (except by operation of the provisions of Section 4.2), (b) no change in the class of persons eligible to receive Incentive Stock Options, and (c) no other amendment of the Plan that would require approval of the Company's shareholders under any applicable law, regulation or rule. No amendment, suspension or termination of the Plan shall affect any then outstanding Award unless expressly provided by the Committee. In any event, no amendment, suspension or termination of the Plan may adversely affect any then outstanding Award without the consent of the Participant unless expressly authorized by the Plan

or necessary to comply with any applicable law, regulation or rule. The Committee may at any time or times amend any outstanding Award for the purpose of satisfying the requirements of any changes in applicable laws or regulations and, with the consent of the Participant, the Committee may make such modifications or amendments to any outstanding Award as it shall deem advisable.

12. MISCELLANEOUS PROVISIONS.

12.1. **Repurchase Rights**. Stock issued under the Plan may be subject to one or more repurchase options, or other conditions and restrictions as determined by the Committee in its discretion at the time the Award is granted. The Company shall have the right to assign at any time any repurchase right it may have, whether or not such right is then exercisable, to one or more persons as may be selected by the Company. Upon request by the Company, each Participant shall execute any agreement evidencing such transfer restrictions prior to the receipt of shares of Stock hereunder and shall promptly present to the Company any and all certificates representing shares of Stock acquired hereunder for the placement on such certificates of appropriate legends evidencing any such transfer restrictions.

12.2. **Provision of Information**. Each Participant shall be given access to information concerning the Company equivalent to that information generally made available to the Company's common shareholders.

12.3. **Rights as Employee, Consultant or Director**. No person, even though eligible pursuant to Section 5, shall have a right to be selected as a Participant, or, having been so selected, to be selected again as a Participant. Nothing in the Plan or any Award granted under the Plan shall confer on any Participant a right to remain an Employee, Consultant or Director or interfere with or limit in any way any right of the Company or a Subsidiary to terminate the Participant's Service at any time. To the extent that an Employee of a Subsidiary receives an Award under the Plan, that Award shall in no event be understood or interpreted to mean that the Company is the Employee's employer or that the Employee has an employment relationship with the Company.

12.4. **Rights as a Shareholder**. A Participant shall have no rights as a shareholder with respect to any shares covered by an Award until the date of the issuance of such shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date such shares are issued, except as provided in Section 4.2 or another provision of the Plan.

12.5. **Other Awards and Compensation**. The Plan shall not restrict the authority of the Company, acting directly or by authorization to any committee, for proper corporate purposes, to grant or assume stock options or replacements or substitutions therefore, other than under the Plan, whether in connection with any acquisition or otherwise, and with respect to any employee

or other person, or to award bonuses or other benefits to Participants under the Plan in connection with exercises under the Plan or otherwise or to maintain or establish other compensation or benefit plans or practices.

12.6. **Fractional Shares**. The Company shall not be required to issue fractional shares upon the exercise or settlement of any Award.

12.7. **Termination of Right of Action**. Every right of action arising out of or in connection with the Plan by or on behalf of the Company or any Subsidiary, or by any shareholder of the Company against any past, present or future member of the Board or against any employee, or by an employee (past, present or future) against the Company or any Subsidiary shall, irrespective of the place where an action may be brought and irrespective of the place or residence of any such shareholder, director or employee, cease and be barred by the expiration of three years from the date of the act or omission with respect to which such right of action is alleged to have arisen.

12.8. **Severability**. If any one or more of the provisions (or any part thereof) of this Plan shall be held invalid, illegal or unenforceable in any respect, such provision shall be modified so as to make it valid, legal and enforceable, and the validity, legality and enforceability of the remaining provisions (or any part thereof) of the Plan shall not in any way be affected or impaired thereby.

12.9. **Choice of Law**. Except to the extent governed by applicable federal law, the validity, interpretation, construction and performance of the Plan and each Award Agreement shall be governed by the laws of the State of Alaska, without regard to its conflict of law rules.

12.10. **Effectiveness of the Plan**. The Plan originally became effective on December 20, 1986, and has been amended and restated, the most recent amendment and restatement of which shall, subject to approval by the shareholders of the Company at a meeting of shareholders duly called and held, or by written consent duly given, be effective on the Effective Date.

12.11. **Option Exchange**. Notwithstanding any other provision of the Plan to the contrary, the Board of Directors of the Company or the Company's Compensation Committee may provide for, and the Company may implement, a one-time-only Option exchange offer, pursuant to which certain outstanding Options could, at the election of the Participant, be tendered to the Company for cancellation in exchange for the issuance of a lesser amount of Restricted Stock, provided that such one-time-only Option exchange offer is commenced within 12 months of the date that this Section 12.11 is approved by the shareholders of the Company in accordance with Section 11 of the Plan.

IN WITNESS WHEREOF, General Communication, Inc. has executed this Amended and Restated 1986 Stock Option Plan of General Communication, Inc. effective as of September 26, 2014.

GENERAL COMMUNICATION, INC.

By: /s/ Peter Pounds

Title: Secretary

Exhibit 4.2

SECURITYHOLDER AGREEMENT

by and between

GENERAL COMMUNICATION, INC.

and

SEARCHLIGHT ALX, L.P.

dated as of

December 4, 2014

W/2422986

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SECURITYHOLDER AGREEMENT

This Securityholder Agreement (this "**Agreement**"), dated as of December 4, 2014 is entered into by and between General Communication, Inc., an Alaska corporation (the "**Company**") and Searchlight ALX, L.P., a Delaware limited partnership (the "**Investor**").

RECITALS

WHEREAS, on the date hereof, the Company has entered into a Purchase and Sale Agreement, among the Company, Alaska Communications Systems Group, Inc., ACS Wireless, Inc., GCI Communication Corp., GCI Wireless Holdings, LLC and The Alaska Wireless Network, LLC (the "**Purchase Agreement**").

WHEREAS, at the Closing (as defined in the Purchase Agreement), the Investor will acquire the following securities from Company (collectively, the "**Securities**"): (a) that certain Unsecured Promissory Note Due 2023, in the principal amount of $75,000,000, in the form attached hereto as Exhibit A (the "**Note**"); and (b) 3,000,000 SARs, as such term is defined in that certain Stock Appreciation Rights Agreement, in the form attached hereto as Exhibit B (the "**SAR Agreement**") (subject to adjustment as provided herein or in the SAR Agreement).

WHEREAS, each of the Investor and the Company deems it in its respective best interests to set forth in this Agreement each party's rights and obligations in connection with the Investor's acquisition of the Securities.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Definitions. Capitalized terms used herein and not otherwise defined will have the meanings set forth in this **Article I**.

"**Affiliate**" of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person, including any director or officer of such Person or any owner of Class B Common Stock . The term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

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

"**Applicable Law**" means all applicable provisions of (a) constitutions, treaties, statutes, laws (including the common law), rules, regulations, decrees, ordinances, codes, proclamations, declarations or orders of any Governmental Authority, (b) any consents or approvals of any Governmental Authority and (c) any orders, decisions, advisory or interpretative opinions, injunctions, judgments, awards, decrees of, or agreements with, any Governmental Authority.

"**Board**" has the meaning set forth in **Section 2.1**.

"**Business Day**" means a day other than a Saturday, Sunday or any other day on which commercial banks located in Anchorage, Alaska are authorized or required by Law to be closed for business.

"**Closing**" has the meaning set forth in the Recitals.

"**Capital Stock**" means the Common Stock and the Class B common stock of the Company and any securities issued in respect thereof, or in substitution therefor, in connection with any Reorganization Event (the "**Class B Common Stock**").

"**Common Stock**" means the Class A common stock of the Company and any securities issued in respect thereof, or in substitution therefor, in connection with any Reorganization Event.

"**Company**" has the meaning set forth in the preamble.

"**Director**" has the meaning set forth in **Section 2.1**.

"**Encumbrance**" means any charge, claim, community property interest, pledge, condition, equitable interest, lien (statutory or other), option, security interest, mortgage, right of first refusal or restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

"**Government Approval**" means any authorization, consent, approval, waiver, exception, variance, order, exemption, publication, filing, declaration, concession, grant, franchise, agreement, permission, permit, or license of, from or with any Governmental Authority, the giving notice to, or registration with, any Governmental Authority or any other action in respect of any Governmental Authority.

"**Governmental Authority**" means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of law), or any arbitrator, court or tribunal of competent jurisdiction.

"**Information**" has the meaning set forth in **Section 8.1**.

"**Investor**" has the meaning set forth in the preamble.

"**Investor Closing**" has the meaning set forth in Section 1.3.

"**Investor Director**" has the meaning set forth in **Section 2.1**.

"**Investor Nominee**" has the meaning set forth in **Section 2.1**.

"**Note**" has the meaning set forth in the Recitals.

"**Offered Securities**" has the meaning set forth in **Section 3.2(a)**.

"**Offering Notice**" has the meaning set forth in **Section 3.2(b)**.

"**Permitted Transferee**" means with respect to the Investor, any Affiliate of the Investor and any bank, lending institution or other financing source to whom the Investor pledges or assigns a security interest in the Securities as collateral for loans or other credit extended to the Investor by such bank, lending institution or other financing source. For all purposes of this Agreement, for the avoidance of doubt, Searchlight Capital, L.P. shall be an Affiliate of the Investor and a Permitted Transferee hereunder. In addition, for clarification, while the Investor shall be permitted to pledge or assign a security interest in the Securities as collateral for loans or other credit extended, any such secured party shall not be considered to be a Permitted Transferee upon the foreclosure or sale in lieu of foreclosure of any such secured interest, which transfer shall be subject to all of the transfer restrictions set forth in **Article III**.

"**Person**" means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

"**Purchase Agreement**" has the meaning set forth in the Recitals.

"**Representative**" means, with respect to any Person, any and all directors, officers, employees, partners, members, investors, consultants, financial advisors, counsel, accountants and other agents of such Person.

"**ROFR Notice**" has the meaning set forth in **Section 3.2(d)**.

"**ROFR Notice Period**" has the meaning set forth in **Section 3.2(d)**.

"**SAR Agreement**" has the meaning set forth in the Recitals.

"**SEC**" means the Securities and Exchange Commission.

"**Securities**" has the meaning set forth in the Recitals.

"**Securities Act**" means the Securities Act of 1933, as amended, or any successor federal statute, and the rules and regulations issued thereunder, as in effect at the time.

"**Third Party Purchaser**" means any Person who, immediately prior to the contemplated transaction, is not the Investor or a Permitted Transferee.

"**Transfer**" means to, directly or indirectly, sell, transfer, assign, pledge, encumber, hypothecate or similarly dispose of, either voluntarily or involuntarily, or to enter into any contract, option or other arrangement or understanding with respect to the sale, transfer, assignment, pledge, encumbrance, hypothecation or similar disposition of, any Securities owned by a Person or any interest (including a beneficial interest) in any Securities owned by a Person; provided, however, that for all purposes of this Agreement, the Investor shall be permitted to pledge or assign a security interest in the Securities to a Permitted Transferee as collateral for loans or other credit extended to the Investor by such Permitted Transferee.

"**Treasury Regulations**" means the Treasury Regulations (including temporary or proposed regulations) promulgated under the Internal Revenue Code of 1986, as amended from time to time (including corresponding provisions of succeeding regulations).

Section 1.2 Terms Generally. The definitions set forth or referenced in **Section 1.1** apply equally to both the singular and plural forms of the terms defined. Any pronoun includes the corresponding masculine, feminine and neuter forms, as the context requires. The words "include," "includes" and "including" will be deemed to be followed by the phrase "without limitation." The word "or" is not exclusive. The words "will" and "shall" are used interchangeably and are intended to have, and will be deemed to have, the same meaning. The words "herein," "hereof," "hereby" and "hereunder" and words of similar import refer to this Agreement in its entirety and not to any part of this Agreement unless the context otherwise requires. All references to Articles and Sections will be deemed references to Articles and Sections of this Agreement unless the context otherwise requires. Any references to any agreement or other document or instrument or to any statute or regulation are to it as amended and supplemented from time to time (and, in the case of a statute or regulation, to any successor provisions, and to any rules and regulations promulgated thereunder), unless the context

otherwise requires. Any reference to a "day" or number of "days" (without the explicit qualification of "business") will be interpreted as a reference to a calendar day or number of calendar days. If any action or notice is to be taken or given on or by a particular calendar day, and such calendar day is not a Business Day, then such action or notice will be deferred until, or may be taken or given on, the next Business Day.

Section 1.3 Closing. The Investor's obligations to consummate the transactions contemplated by this Agreement shall be subject to the Closing having occurred (the consummation of such transactions, the "**Investor Closing**"). At the Investor Closing, the Investor agrees to purchase the Note and the SARs for an aggregate purchase price of Seventy Five Million Dollars ($75,000,000), which purchase price shall be payable in the lawful money of the United States of America to the Company by wire transfer to such account or accounts as the Company may direct by written notice to the Investor. The Company will deliver executed copies of the Note and the SAR Agreement to the Investor at the Investor Closing and the Investor will deliver an executed copy of the SAR Agreement to the Company.

Section 1.4 Actions Prior to Investor Closing. The Company and Investor agree to cooperate in good faith to determine and agree upon, prior to the Investor Closing, the relative fair market values of the Note and the SARs for purposes of the application of Treasury Regulation Section 1.1273-2(h), and the Company and Investor agree not to take any position on any tax return or otherwise for income tax purposes inconsistent with such fair market values.

Section 1.5 Post-Closing Actions. To the extent the Investor receives SARs and/or Common Stock pursuant to the SAR Agreement: (a) the Company and the Investor shall negotiate in good faith and enter into a customary registration rights agreement with respect to such Common Stock; and (b) the Company shall use reasonable best efforts to cause the Compensation Committee of the Board to approve the issuance of such SARs and/or Common Stock in a manner designed to exempt the issuance from Section 16(b) of the Securities Exchange Act of 1934, as amended, pursuant to Rule 16b-3(d)(1) promulgated thereunder.

ARTICLE II
DIRECTOR NOMINATION RIGHTS

Section 2.1 Investor Nominees. The Investor acknowledgers that the business and affairs of the Company are managed through a board of directors (the "**Board**") currently consisting of nine members (each, a "**Director**"). From time to time and at any time after the Investor Closing and for so long as any principal amount remains outstanding under the Note (or until such right is otherwise terminated as provided for in this Agreement), the Investor (or, if applicable, a Permitted Transferee that is an Affiliate of the Investor) shall be entitled to nominate one Director to serve on the Board (the "**Investor Nominee**" and, if elected to the Board, the "**Investor Director**"), such Investor Nominee to initially be Eric Zinterhofer. The Board shall expand its size to ten members or such number as necessary to accommodate the Investor Nominee.

Section 2.2 Company Nomination. At each meeting of the Company's stockholders at which the election of the class II Directors is to be considered, the Company shall nominate

the Investor Nominee so designated by the Investor for election to the Board by the Company's stockholders and use reasonable best efforts to solicit proxies from the Company's stockholders in favor of the election of the Investor Nominee). The Company shall use reasonable best efforts to cause the Investor Nominee to be elected to the Board (including voting all unrestricted proxies in favor of the election of such Investor Nominee and including recommending approval of such Investor Nominee's appointment to the Board) and shall not take any action designed to diminish the prospects of such Investor Nominee of being elected to the Board.

Section 2.3 Removal. The Investor Director appointed pursuant to this Article II shall continue to hold office until the next annual meeting of the stockholders of the Company at which the class II Directors are to be elected and until his or her successor is elected and qualified in accordance with this **Section 2.3** and the bylaws of the Company, unless such Investor Director is earlier removed from office by the Investor (or, if applicable, a Permitted Transferee that is an Affiliate of the Investor) (in which event the Investor shall cause the Investor Director to resign from the Board) or at such time as such Investor Director's death, resignation, retirement or disqualification. The Company shall use all reasonable best efforts to ensure that any Investor Director is removed only if so directed in writing by the Investor, unless otherwise required by this Section 2.3 or applicable law.

Section 2.4 Vacancies. In the event of a vacancy on the Board resulting from the death, disqualification, resignation, retirement or termination of the term of office of the Investor Director, the Company shall use reasonable best efforts to cause the Board to fill such vacancy or new directorship with a representative designated by the Investor (or, if applicable, a Permitted Transferee that is an Affiliate of the Investor) to serve until the next annual or special meeting of the stockholders at which the class II Directors are to be elected (and at such meeting, such representative, or another representative designated by such holders, will be nominated to be elected to the Board in the manner set forth in **Section 2.1**). If the Investor (or, if applicable, a Permitted Transferee that is an Affiliate of the Investor) fails or declines to fill the vacancy, then the directorship shall remain open until such time as the Investor elects to fill it with a representative designated hereunder. Any representative designated by the Investor (or, if applicable, a Permitted Transferee that is an Affiliate of the Investor) to fill such a vacancy must be a principal or senior executive officer of the Investor or any of its Affiliates and must have sufficient industry expertise and professional qualifications to enable such representative to make meaningful and significant contributions to the Board, as determined in good faith by the Company.

ARTICLE III
TRANSFER OF SECURITIES

Section 3.1 General Restrictions on Transfer.

(a) At any time when any of the Securities remain outstanding, the Investor acknowledges and agrees that it (or any Permitted Transferee) will not voluntarily or involuntarily Transfer any of the Securities, in whole or in part, without the prior written consent of the Company except (i) to a Permitted Transferee in accordance with the procedures set forth in this **Section 3.1** or (ii) in accordance with the procedures set forth in **Section 3.2**. For the

avoidance of doubt, all issued and outstanding Securities, if Transferred pursuant to this **Section 3.1** or **Section 3.2**, may only be Transferred together and in their entirety.

(b) A Transfer of all of the then issued and outstanding Securities by the Investor to a Permitted Transferee at any time shall not be subject to **Section 3.2**.

(c) In the event of a Transfer or attempted Transfer of any of the Securities in violation of this Agreement, the rights of the Investor set forth in **Article II** will immediately be of no further force or effect and the Investor shall promptly cause the Investor Director to resign from the Board.

(d) Prior to the consummation of any Transfer of the Securities by the Investor that is permitted pursuant to the terms and conditions of this Agreement (other than a pledge of, or assignment of a security interest in, the Securities as collateral for loans or other credit extended to the Investor by a Permitted Transferee), the Investor will cause the transferee thereof to execute and deliver to the Company an agreement to be bound by the terms and conditions of this Agreement, which shall be in form and substance reasonably acceptable to the Company. Except as set forth in this **Section 3.1**, upon any Transfer by the Investor of all of its then issued and outstanding Securities in accordance with the terms of this Agreement, the transferee thereof will be substituted for, and will assume all the rights and obligations under this Agreement of, the Investor; provided, that if the Transfer is not made to a Permitted Transferee, then any such transferee shall not be entitled to enforce the rights of the Investor set forth in **Article II** which will immediately be of no further force or effect and the Investor shall promptly cause the Investor Director to resign from the Board.

(e) Notwithstanding any other provision of this Agreement, the Investor agrees that it will not, directly or indirectly, Transfer the Securities (i) except as permitted under the Securities Act and other applicable federal or state securities laws, and then, if requested by the Company, only upon delivery to the Company of an opinion of counsel in form and substance satisfactory to the Company to the effect that such Transfer may be effected without registration under the Securities Act, (ii) if it would cause the Company or any of its subsidiaries to be required to register as an investment company under the Investment Company Act of 1940, as amended, or (iii) if it would cause the assets of the Company or any of its subsidiaries to be deemed plan assets as defined under the Employee Retirement Income Security Act of 1974 or its accompanying regulations or result in any "prohibited transaction" thereunder involving the Company. In any event, the Company may refuse the Transfer to any Person if such Transfer would have a material adverse effect on the Company as a result of any regulatory or other restrictions imposed by any Governmental Authority.

(f) Any Transfer or attempted Transfer of the Securities in violation of this Agreement will be null and void, no such Transfer will be recorded on the Company's books and the purported transferee in any such Transfer will not be treated (and the purported transferor will continue be treated) as the owner of the Securities for all purposes of this Agreement.

(g) Notwithstanding anything contained herein to the contrary or otherwise, the Investor may at any time pledge or assign a security interest in the Securities to secure loans or

other credit extended to the Investor by a Permitted Transferee; *provided* that no such pledge or assignment shall release the Investor from any of its obligations hereunder or substitute any such pledgee or assignee for the Investor as a party hereto. In addition, for clarification, while the Investor shall be permitted to pledge or assign a security interest in the Securities as collateral for loans or other credit extended, any such secured party shall not be considered to be a Permitted Transferee upon the foreclosure or sale in lieu of foreclosure of any such secured interest, which transfer shall be subject to all of the transfer restrictions set forth in Article III. In no event shall any such secured party be entitled to enforce the rights of the Investor set forth in **Article II** and upon any such foreclosure or sale in lieu of foreclosure of any such secured interest, the rights of the Investor set forth in **Article II** will immediately be of no further force or effect and the Investor shall promptly cause the Investor Director to resign from the Board.

Section 3.2 Right of First Refusal.

(a) If at any time during the period from the Investor Closing until the fourth (4^{th}) anniversary of the Investor Closing, the Investor owning all of the then issued and outstanding Securities receives a bona fide offer from any Third Party Purchaser to purchase all of such Securities (the "**Offered Securities**") owned by the Investor and the Investor desires to Transfer the Offered Securities (other than Transfers that are permitted by **Section 3.1**), then the Investor must first offer the Offered Securities to the Company in accordance with the provisions of this **Section 3.2**.

(b) The Investor shall, within five Business Days of receipt of the offer from the Third Party Purchaser, give written notice (the "**Offering Notice**") to the Company stating that it has received a bona fide offer from a Third Party Purchaser and specifying:

(i) that the Investor intends to Transfer all (but not less than all) of the then issued and outstanding Securities and the exact number of then issued and outstanding Securities to be Transferred by the Investor;

(ii) the identity of the Third Party Purchaser; and

(iii) the total purchase price for the Offered Securities (such cost to be payable solely in cash) and the other material terms and conditions of the Transfer.

The Offering Notice will constitute the Investor's offer to Transfer the Offered Securities to the Company, which offer will be irrevocable until the end of the ROFR Notice Period.

(c) By delivering the Offering Notice, the Investor represents and warrants to the Company that: (i) the Investor has full right, title and interest in and to the Offered Securities, (ii) the Investor has all the necessary power and authority and has taken all necessary action to Transfer such Offered Securities as contemplated by this **Section 3.2**, and (iii) the Offered Securities are free and clear of any and all Encumbrances other than those arising as a result of or under the terms of this Agreement.

(d) Upon receipt of the Offering Notice, the Company will have ten Business Days (the "**ROFR Notice Period**") to elect to purchase all (and not less than all) of the Offered Securities by delivering a written notice (a "**ROFR Notice**") to the Investor stating that it will purchase such Offered Securities on the terms specified in the Offering Notice, provided that the Company will have a period of up to 60 days in order to close any such purchase, which period may be extended for a reasonable time not to exceed 150 total days to the extent reasonably necessary to obtain any Government Approvals. Any ROFR Notice will be binding upon delivery and irrevocable by the Company.

(e) Subject to **Section 3.2(f)**, if the Company does not deliver a ROFR Notice during the ROFR Notice Period, the Company will be deemed to have waived all of its rights to purchase the Offered Securities under this **Section 3.2**.

(f) If the Company does not deliver a ROFR Notice in accordance with **Section 3.2(d)**, the Investor may, during the 60 day period immediately following the expiration of the ROFR Notice Period, which period may be extended for a reasonable time not to exceed 150 total days to the extent reasonably necessary to obtain any Government Approvals, Transfer all (and not less than all) of the Offered Securities to the Third Party Purchaser on terms and conditions no more favorable to the Third Party Purchaser than those set forth in the Offering Notice. If the Investor does not Transfer all of the Offered Securities within such period, or if such Transfer is not consummated within such period, the rights provided hereunder will be revived and the Offered Securities may not be Transferred to the Third Party Purchaser unless the Investor sends a new Offering Notice in accordance with, and otherwise complies with, this **Section 3.2**.

(g) At the closing of any Transfer to the Company pursuant to this **Section 3.2**, the Investor will deliver to the Company the promissory note and agreements representing the Offered Securities to be sold (if any), accompanied by such assignment instruments and other documents as are reasonably necessary to reflect the transfer and assignment of the Securities to the Company against receipt of the purchase price therefor from the Company by certified or official bank check or by wire transfer of immediately available funds. Notwithstanding the failure of the Investor to deliver any such assignment instruments and other documents, at the closing of any Transfer to the Company, the Company shall for all purposes be deemed to be the record and beneficial owner of the Securities and the Investor shall have no further right, title or interest to such Securities.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

Section 4.1 Representations and Warranties of Both Parties. The parties represent and warrant to each other, as of the date hereof and as of the Investor Closing, as follows:

(a) Each party represents and warrants to that other that (i) it has full corporate power and authority to execute and deliver this Agreement, the SAR Agreement and the Note, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby and (ii) the execution and delivery of this Agreement, the SAR

Agreement and the Note, the performance of the obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby, have been duly authorized by all requisite corporate action and each party has duly executed and delivered this Agreement.

(b) Each party represents and warrants to the other that the execution, delivery and performance of this Agreement, the SAR Agreement and the Note and the consummation of the transactions contemplated hereby and thereby, require no action by or in respect of, or filing with, any Governmental Authority.

(c) Each party represents and warrants to the other that the execution, delivery and performance by the Investor and the Company (as applicable) of this Agreement, the SAR Agreement and the Note and the consummation of the transactions contemplated hereby and thereby do not (i) conflict with or result in any violation or breach of any provision of any of the organizational documents of the Investor or the Company (as applicable), (ii) conflict with or result in any violation or breach of any provision of any Applicable Law or (iii) require any consent or other action by any Person under any provision of any material agreement or other instrument to which the Investor or the Company (as applicable) is a party.

(d) Each party represents and warrants to the other that this Agreement constitutes, and each of the SAR Agreement, the SARs and the Note will constitute when executed and/or delivered (as applicable) at the Investor Closing, a legal, valid and binding obligation, enforceable against each applicable party and its successors and permitted assigns in accordance with its terms except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

Section 4.2 Representations and Warranties of the Investor. The Investor represents and warrants to the Company, as of the date hereof and as of the Investor Closing, as follows:

(a) The Company has made available to Investor an opportunity to ask questions of, and receive answers from, the Company's Representatives and any other Person acting on their behalf, concerning the operations, financial status and investment risks of the Company and its Affiliates and to obtain any additional information Investor desires, to the extent the Company possesses such information or can acquire it without unreasonable effort or expense, and subsequently, Investor has examined and has had the opportunity to examine, prior to the date of this Agreement, all information material to an understanding of the Company and its business, including the Company's Annual Report on Form 10-K for the year ended December 31, 2013 filed with the Securities and Exchange Commission ("**SEC**") on March 26, 2014 and the Company's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2014, June 30, 2014 and September 30, 2014 that were filed with the SEC on May 8, 2014, August 7, 2014 and November 6, 2014, respectively. Investor represents that it has internet access to all future SEC filings made by the Company and agrees that each such filing will be deemed to have been delivered to it. Investor further acknowledges that it has been actively involved in the negotiation of the transactions contemplated by the Purchase Agreement and has had the

opportunity to review the Purchase Agreement and obtain all information concerning the transactions contemplated by the Purchase Agreement that the Investor desires.

(b) Investor: (i) is an "accredited investor" within the meaning of Section 501(d) of the rules promulgated under the Securities Act; and (ii) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of an investment in the Company;

(c) understands that an interest in the Securities is illiquid, that the Securities issued hereunder have not been registered under the Securities Act, and that the Securities are nontransferable except in accordance with the terms of this Agreement;

(d) acknowledges that no general solicitation or general advertising (including communications published in any newspaper, magazine or other broadcast) has been received by it and that no public solicitation or advertisement with respect to the offering of the Securities has been made to it;

(e) understands that no securities administrator of any state has made any finding or determination relating to the advisability or fairness of the terms under which the Securities are granted. Any representation to the contrary may be a criminal offense;

(f) acknowledges that the Securities (and, to the extent not covered by a registration rights agreement, the Common Stock that may be issued upon exercise of the SARs) have not been and will not be registered under the Securities Act or the securities laws of any state and cannot be offered or sold by Investor unless subsequently so registered or unless exemptions from the registration requirements of the Securities Act and all applicable state securities laws are available for the transaction;

(g) The Securities (and the shares of Common Stock that may be issued upon exercise of the SARs) are being acquired by Investor for Investor's own account for investment and not for other persons and not with a view to resale or distribution;

(h) Investor is aware that the Company and its counsel will rely on the representations and warranties provided by Investor in issuing the Securities; and

(i) Other than the SAR Agreement and the Note described herein, Investor has not entered into or agreed to be bound by any other agreements or arrangements of any kind with any other party with respect to the Securities (and the shares of Common Stock that may be issued upon exercise of the SARs), including agreements or arrangements with respect to the acquisition or disposition of the Securities (and the shares of Common Stock that may be issued upon exercise of the SARs) (whether or not such agreements and arrangements are with the Company or any other stockholder of the Company).

ARTICLE V
STANDSTILL

Section 5.1 Standstill. Unless approved in advance in writing by the Board, the Investor agrees that neither it nor any of its Representatives acting on behalf of or in concert with the Investor will, from and after the Investor Closing until none of the Securities are owned by the Investor or its Affiliates, directly or indirectly:

(a) make any public statement or proposal to the board of directors of any of the Company, any of the Company's Representatives or any of the Company's stockholders (other than the Investor and its Affiliates) regarding, or make any public announcement, proposal or offer (including any "solicitation" of "proxies" as such terms are defined or used in Regulation 14A of the Securities Exchange Act of 1934, as amended) with respect to, or otherwise solicit, seek or offer to effect (including, for the avoidance of doubt, indirectly by means of communication with the press or media) (i) any business combination, merger, tender offer, exchange offer or similar transaction involving the Company or any of its subsidiaries, (ii) any restructuring, recapitalization, liquidation or similar transaction involving the Company or any of its subsidiaries, (iii) any acquisition of any of the Company's loans, debt securities, equity securities or assets, or rights or options to acquire interests in any of the Company's loans, debt securities, equity securities or assets, (iv) any proposal to seek representation on the Board (except as set forth in **Article II** hereof) or otherwise seek to control or influence the management, Board or policies of any of the Company, (v) any request or proposal to waive, terminate or amend the provisions of this Agreement or (vi) any proposal, arrangement or other statement that is inconsistent with the terms of this Agreement, including this **Section 5.1(a)**;

(b) instigate, encourage or assist any third party (including forming a "group" with any such third party) to do, or enter into any discussions or agreements with any third party with respect to, any of the actions set forth in clause (a) above;

(c) take any action which would reasonably be expected to require the Company or any of its affiliates to make a public announcement regarding any of the actions set forth in clause (a) above;

(d) except as provided in this Agreement, the SAR Agreement or the Note, acquire (or propose or agree to acquire), of record or beneficially, by purchase or otherwise, any equity securities of the Company or any of its subsidiaries, or rights or options to acquire interests in any of the Company's equity securities, except that subject to applicable securities laws limitations (including Company imposed blackout periods), Investor may acquire up to an additional two million (2,000,000) shares of Capital Stock (subject to appropriate adjustments to reflect any Reorganization Event) at any time after the date of this Agreement (in addition to any shares of Common Stock issuable upon exercise of the SARs); or

(e) engage in put, call, short sale, hedge, swap, straddle, collar or similar transactions with respect to any of the Securities (including any shares of Common Stock issuable upon exercise of the SARs), except with respect to any pledge or assignment of a security interest in the Securities to secure loans or other credit extended to the Investor by a Permitted Transferee.

Notwithstanding the foregoing, (i) nothing in this Agreement shall restrict any Director from taking action in such capacity, and (ii) if (1) a Person "commences" (within the meaning of Rule

14d-2 under the Securities Exchange Act of 1934, as amended) a tender or exchange offer for at least 50% of the outstanding capital stock of the Company and the Board does not publicly recommend against such offer within ten business days of such commencement or (2) a Person enters into a definitive written agreement with the Company or any of its subsidiaries contemplating the acquisition (by way of merger, tender offer, or otherwise) of at least 50% of the outstanding capital stock of the Company or any of its subsidiaries, then, in any of such cases, the restrictions set forth in this Section 5.1 shall immediately terminate and cease to be of any further force or effect with respect to the Investor or any of its Representatives.

ARTICLE VI
ADJUSTMENTS

Section 6.1 Adjustments to Exercise Price for Cash Dividend. In case the Company shall pay or make a dividend or other distribution to holders of record of any shares of Common Stock in cash, the Exercise Price shall be reduced by amount of cash paid per share of Common Stock to such holders, such reduction to become effective when such dividend or other distribution is declared by the Board.

Section 6.2 Agreement for Reorganization Event. In the event of a stock dividend or stock distribution, stock split, subdivision, reclassification or reclassification or other change in corporate structure or capitalization affecting any of the Capital Stock (a "**Reorganization Event**"), the Exercise Price, the number of outstanding SARs pursuant to the SAR Agreement, the number of SARs payable pursuant to a SARs Payment Option (as defined and pursuant to the Note) and the number and/or kind of shares or other property to be issued hereunder shall be appropriately adjusted to preserve the economic benefits of the SARs to the Investor (as such economic benefits existed immediately prior to the announcement of such event) in a manner reasonably and in good faith determined by the Board.

Section 6.3 Adjustments to SARs for Merger or Consolidation. If the Company shall be the surviving corporation in any merger or consolidation (other than a merger or consolidation in which the Company survives but its outstanding shares are converted into securities of another corporation or exchanged for other consideration), the SAR Agreement shall pertain and apply to the securities which a holder of the number of shares of Common Stock then subject to the SAR Agreement should have been entitled to receive. Notwithstanding the provisions of Section 11 of the SAR Agreement, any dissolution or liquidation of the Company, a sale of all or substantially all of the assets of the Company or a merger or consolidation in which the Company is not the surviving corporation or becomes a subsidiary of another Person (in each case, other than in connection with a reincorporation of the Company into another jurisdiction, in which case the SAR Agreement shall pertain and apply to the securities which a holder of the number of shares of Common Stock then subject to the SAR Agreement should have been entitled to receive) or its outstanding shares are so converted or exchanged shall cause every SAR under the SAR Agreement to terminate and the Company shall pay to the Investor in cash the Appreciation Value or Adjusted Appreciation Value, as applicable, pursuant to the terms of the SAR Agreement.

ARTICLE VII
TERM AND TERMINATION

Section 7.1 Termination. This Agreement will terminate upon the earliest of:

(a) such time as there are no Securities that remain issued and outstanding;

(b) the termination of the Purchase Agreement in accordance with its terms; or

(c) the written agreement to terminate this Agreement between the Company and the Investor.

Section 7.2 Effect of Termination. The termination of this Agreement will terminate all further rights and obligations of the Investor and the Company under this Agreement except that such termination will not affect:

(a) the obligation of a party to pay any amounts arising on or prior to the date of termination, or as a result of or in connection with such termination; or

(b) the rights contained herein which by their terms are intended to survive termination of this Agreement, including this **Section 7.2** and **Section 8.1**, **Section 8.3**, **Section 8.4**, **Section 8.5**, **Section 8.11** and **Section 8.12**.

ARTICLE VIII
MISCELLANEOUS

Section 8.1 Confidentiality.

(a) The Investor will, and will cause its Representatives to, keep confidential and not divulge any information (including all budgets, business plans and analyses) concerning the Company, including its assets, business, operations, financial condition or prospects ("**Information**"), and to use, and cause its Representatives to use, such Information only in connection with its investment in the Company; *provided*, *that* nothing herein will prevent the Investor from disclosing such Information (i) upon the order of any court or administrative agency, (ii) upon the request or demand of any regulatory agency or authority having jurisdiction over the Investor, (iii) to the extent compelled by legal process or required or requested pursuant to subpoena, interrogatories or other discovery requests, (iv) to the extent necessary in connection with the exercise of any remedy hereunder, (v) to Investor Representatives that in the reasonable judgment of the Investor need to know such Information or (vi) to any potential Third Party Purchaser in connection with a proposed Transfer of the Securities from the Investor as long as such transferee agrees to be bound by the provisions of this **Section 8.1**, *provided*, *further*, that in the case of clause (i), (ii) or (iii), the Investor will notify the Company of the proposed disclosure as far in advance of such disclosure as practicable and use reasonable efforts to ensure that any Information so disclosed is accorded confidential treatment, when and if available.

(b) The restrictions of this **Section 8.1** will not apply to information that (i) is or becomes generally available to the public other than as a result of a disclosure by the Investor or any of its Representatives in violation of this Agreement, (ii) is or has been independently developed or conceived by the Investor without use of the Company's Information, or (iii) is or becomes available to the Investor or any of its Representatives on a non-confidential basis from a source other than the Company or any of its Representatives, *provided*, *that* such source is not known by the Investor to be bound by a confidentiality agreement with the Company or any of its Representatives.

Section 8.2 Expenses. Company shall reimburse Investor for (a) all fees and disbursements of counsel incurred in connection with this Agreement, the SAR Agreement and the Note, provided that such fees and disbursements shall in no event exceed the amount of fees and disbursements of counsel incurred by the Company in connection with this Agreement, the SAR Agreement and the Note, and (b) reasonable out-of-pocket travel expenses incurred in connection with the Purchase Agreement, this Agreement, the SAR Agreement, the Note and the transactions contemplated hereby and thereby. All other costs and expenses, including fees and disbursements of financial advisors and accountants, incurred in connection with this Agreement, the SAR Agreement and the Note will be paid by the party incurring such costs and expenses.

Section 8.3 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder or under the Note or the SAR Agreement will be in writing and will be deemed to have been given (a) when delivered by hand (with written confirmation of receipt), (b) one Business Day after the date delivered to a nationally recognized overnight courier for next Business Day delivery, (c) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid, or (d) upon transmission if sent via facsimile (with confirmation of receipt) on a Business Day or the next Business Day if the day it is sent is not a Business Day. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as will be specified in a notice given in accordance with this **Section 8.3**):

If to the Company: General Communication, Inc.
2550 Denali Street, Suite 1000
Anchorage, Alaska 99503
Attention: General Counsel
Facsimile: (907) 868-5676

with a copy to: Sherman & Howard L.L.C.
633 17th Street, Suite 3000
Denver, CO 80202
Attention: Steven Miller, Esq.
Facsimile: (303) 298-0940

If to the Investor: Searchlight ALX, L.P.
c/o Searchlight Capital Partners, L.P.
745 Fifth Avenue - 27th Floor

New York, NY 10151
Attention: Eric Zinterhofer
Andrew Frey
Facsimile: (202) 207-3837

with a copy to: Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10019
Attention: Steven A. Cohen
Ronald C. Chen
Fax: (212) 403-2000

Section 8.4 Effectiveness. In no event will any draft of this Agreement create any obligation or liability, it being understood that this Agreement will be effective and binding only when a counterpart hereof has been executed and delivered by each party hereto.

Section 8.5 Interpretation. This Agreement will be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

Section 8.6 Headings. The headings in this Agreement are for reference only and will not affect the interpretation of this Agreement.

Section 8.7 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto will negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 8.8 Agreement. This Agreement, the Note and the SAR Agreement constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency or conflict between this Agreement and the Note or the SAR Agreement, the Investor and the Company shall, to the extent permitted by Applicable Law, amend this Agreement to comply with the terms of the Note or the SAR Agreement.

Section 8.9 No Third Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or will confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 8.10 Amendment and Modification; Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof will be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party will operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement will operate or be construed as a waiver thereof; nor will any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

Section 8.11 Governing Law; Submission to Jurisdiction; Service of Process; Waiver of Jury Trial.

(a) This Agreement, the Note and the SAR Agreement will be governed, construed, and enforced in accordance with the laws of the State of Delaware, without regard to conflicts of law principles thereunder.

(b) The parties hereby irrevocably submit in any proceeding arising out of or relating to this Agreement, the Note and the SAR Agreement, or any of the transactions contemplated hereby or thereby, to the exclusive jurisdiction of the United States District Court for the District of Alaska or if jurisdiction is not available therein the jurisdiction of any court of the State of Alaska, and waive any and all objections to such jurisdiction or venue that they may have under the laws of any state or country, including any argument that jurisdiction, sites or venue are inconvenient or otherwise improper

(c) Each party agrees that process may be served upon such party in any manner authorized under the laws of the United States or Alaska, and waives any objections that such party may otherwise have to such process, *provided*, *however*, that process will be served to the address set forth in **Section 8.3**.

(d) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY THAT MAY ARISE UNDER THIS AGREEMENT, THE NOTE OR THE SAR AGREEMENT ARE LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE NOTE OR THE SAR AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY TO THIS AGREEMENT, THE NOTE OR THE SAR AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (i) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (ii) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (iii) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (iv) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS **SECTION 8.11(d)**.

Section 8.12 Specific Performance. The parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties will be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.

Section 8.13 Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission will be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

General Communication, Inc.

By: /s/ Peter Pounds
Name: Peter Pounds
Title: SVP and CFO

Searchlight ALX, L.P.

By: Searchlight ALX GP, LLC, its general partner

By: /s/ Eric Zinterhofer
Name: Eric Zinterhofer
Title: Authorized Person

Exhibit A – Form of Note

Exhibit B – Form of SAR Agreement

BUS_RE/5483002.4

Exhibit 4.3

EXECUTION COPY

THIS PROMISSORY NOTE IS SUBJECT TO ALL OF THE TERMS AND CONDITIONS OF THE SECURITYHOLDER AGREEMENT, DATED AS OF DECEMBER 4, 2014, BY AND BETWEEN GENERAL COMMUNICATION, INC. AND SEARCHLIGHT ALX, L.P., AS AMENDED FROM TIME TO TIME, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL EXECUTIVE OFFICE OF THE MAKER. ANY ATTEMPTED TRANSFER IN VIOLATION OF THE TERMS OF SUCH AGREEMENT IS VOID.

THIS PROMISSORY NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY APPLICABLE STATE SECURITIES LAWS. IT MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT AS TO THE NOTE UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO EXEMPTIONS FROM THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS.

UNSECURED PROMISSORY NOTE DUE 2023

$75,000,000 Anchorage, Alaska

February 2, 2015

GENERAL COMMUNICATION, INC. ("**Maker**"), an Alaska corporation, for value received, hereby promises to pay to SEARCHLIGHT ALX, L.P., a Delaware limited partnership ("**Payee**"), in lawful money of the United States of America, the principal amount of SEVENTY FIVE MILLION DOLLARS ($75,000,000) plus interest as set forth below from the date of this Unsecured Promissory Note Due 2023 (the "**Note**") on the unpaid balance. All principal and interest is to be paid without setoff or counterclaim as set forth below. This Note is subject to the terms and conditions, of that certain Securityholder Agreement dated as of December 4, 2014 by and between the Maker and Payee (the "**Securityholder Agreement**"), which was executed in connection with the execution of this Note, and that certain Stock Appreciation Rights Agreement dated as of the date hereof by and between the Maker and Payee (the "**SAR Agreement**") pursuant to which Maker issued certain SARs (as defined in the SAR Agreement) to Payee. Capitalized terms used but not otherwise defined herein shall have the meanings specified in the Securityholder Agreement. Maker further agrees as follows:

Section 1. Interest Rate.

(a) Except as provided in Section 1(d), this Note will bear interest at a per annum rate equal to SEVEN AND ONE-HALF PERCENT (7.5%) from the date hereof until this Note is

paid in full. Interest shall be payable annually in arrears on each anniversary of the date of this Note (or, if such anniversary is not a Business Day, on the next succeeding Business Day), at maturity and at the time of any payment or prepayment of principal. All interest payments shall be made in cash, or at the discretion of Maker, by making the interest payable in kind by capitalizing such interest due and adding it to the outstanding principal amount of this Note, in which case the Maker shall also issue to Payee FOUR HUNDRETHS (.04) of a SAR for each ONE DOLLAR ($1.00) of such interest being capitalized (as such conversion ratio may be adjusted from time to time pursuant to Article VI of the Securityholder Agreement) (the "**PIK Payment Option**"). Maker shall exercise the PIK Payment Option by providing written notice to the Payee, at which time the number of SARs subject to the SAR Agreement shall be appropriately adjusted in accordance with Section 3 of the SAR Agreement.

(b) References to the "principal amount of the Note" shall include any increase in the principal amount of the Note as a result of the exercise of the PIK Payment Option.

(c) Interest shall be computed on the basis of a year of 365/366 days for the actual number of days elapsed.

(d) After an Event of Default (as defined below) has occurred or maturity (whether by acceleration or otherwise, and before as well as after judgment), all unpaid principal, accrued interest and any other amounts payable by Maker under this Note shall bear interest until paid at TWO PERCENT (2%) in excess of the interest rate otherwise applicable to the unpaid balance under this Note.

Section 2. Payments.

(a) All outstanding amounts owing under this Note, including unpaid interest and principal, shall be due and payable in cash on February 2, 2023.

(b) Prior to February 2, 2019, Maker may not prepay this Note. At any time on or after February 2, 2019, Maker shall have the right to prepay this Note in full or in part, together with all accrued and unpaid interest on the principal amount of this Note being prepaid, without premium or penalty three business days after giving written notice to Payee of Maker's intention to prepay this Note.

(c) All cash payments received for application to this Note, whether designated as principal or interest, shall be first applied to the payment of accrued interest and the balance applied in reduction of the principal amount hereof.

(d) Payments under this Note shall be made in the lawful money of the United States of America to the Payee by wire transfer to such account or accounts as the Payee may direct by written notice to the Maker.

Section 3. Default. It shall be an event of default ("**Event of Default**") upon the occurrence of any of the following events:

(a) any failure on the part of Maker to make any principal payment under this Note when due, whether by acceleration or otherwise;

(b) any failure on the part of Maker to make any interest payment under this Note when due, whether by acceleration or otherwise, and the continuation of such failure for 30 days;

(c) any failure on the part of Maker to keep or perform any of the terms or provisions (other than payment) of this Note and the continuation of such failure for 30 days after notice of such failure by Payee to Maker;

(d) Maker becomes insolvent or generally fails to pay, or admits in writing its inability to pay, its debts as they become due, or Maker commences any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, moratorium or similar law or statute;

(e) a proceeding shall be commenced against Maker under any bankruptcy, reorganization, arrangement, readjustment of debt, moratorium or similar law or statute, and relief is ordered against it, or the proceeding is controverted but is not dismissed within 60 days after commencement thereof;

(f) Maker consents to or suffers the appointment of a receiver, trustee or custodian to any substantial part of its assets that is not vacated within 30 days; or

(g) any representation or warranty made by the Maker herein or in the Securityholder Agreement shall prove to have been false or misleading in any material respect when so made.

Upon the occurrence of and during the continuation of an Event of Default (i) if such event is an Event of Default specified in clause (d) or (e) above, the entire unpaid principal of this Note, interest accrued thereon and all other amounts owing by Maker hereunder, shall become immediately due and payable, and (ii) if such event is any other Event of Default, Payee may, by notice to Maker, declare the unpaid principal amount of this Note, interest accrued thereon and all other amounts owing by Maker hereunder to be immediately due and payable.

Section 4. Waivers.

(a) Maker waives demand, presentment, protest, notice of protest, notice of dishonor and all other notices or demands of any kind or nature with respect to this Note.

(b) Maker agrees that a waiver of rights under this Note shall not be deemed to be made by Payee unless such waiver shall be in writing, duly signed by Payee, and each such waiver, if any, shall apply only with respect to the specific instance involved and shall in no way impair the rights of Payee or the obligations of Maker in any other respect at any other time.

(c) Maker agrees that in the event Payee demands or accepts partial payment of this Note, such demand or acceptance shall not be deemed to constitute a waiver of any right to

demand the entire unpaid balance of this Note at any time in accordance with the terms of this Note.

Section 5. Collection Costs. Maker will upon demand pay to Payee the amount of any and all reasonable costs and expenses including, without limitation, the reasonable fees and disbursements of its counsel (whether or not suit is instituted) and of any experts and agents, which Payee may incur in connection with the enforcement of this Note during an Event of Default.

Section 6. Assignment of Note. Maker will not be permitted to assign or transfer this Note or any of its obligations under this Note without the consent of the Payee. Payee may not assign or transfer this Note or any of its rights under this Note in any manner whatsoever except as set forth in Article III of the Securityholder Agreement.

Section 7. Miscellaneous.

(a) This Note may be modified only by written agreement signed by Maker and Payee. This Note may not be modified by an oral agreement, even if supported by new consideration.

(b) The governing law for this Agreement and certain related provisions are set forth in Section 8.11 of the Securityholder Agreement.

(c) Subject to Section 6, the covenants, terms and conditions contained in this Note apply to and bind the successors and permitted assigns of the parties.

(d) This Note, together with the Securityholder Agreement and the SAR Agreement constitute a final written expression of all the terms of the agreement between the parties regarding the subject matter hereof, is a complete and exclusive statement of those terms, and supersedes all prior and contemporaneous agreements, understandings and representations between the parties. If any provision or any word, term, clause or other part of any provision of this Note shall be invalid for any reason, the same shall be ineffective, but the remainder of this Note shall not be affected and shall remain in full force and effect.

(e) All notices, consents or other communications provided for in this Note or otherwise required by law shall be in writing and shall be given as provided in Section 8.3 of the Securityholder Agreement. Such addresses may be changed by notice given as provided in such section.

(f) Maker hereby agrees to treat, for United States federal income tax purposes, the possibility that Maker will exercise the PIK Payment Option as a contingency that is “remote” or “incidental” within the meaning of Treasury Regulation Section 1.1275-2(h), and Maker shall not to take any position on any tax return or otherwise for income tax purposes inconsistent with such treatment.

[*Signature Page Follows*]

IN WITNESS WHEREOF, Maker has executed this Note effective as of the date first set forth above.

General Communication, Inc.

By: /s/ Thomas C. Chesterman
Name: Thomas C. Chesterman
Title: Vice President, Finance

Exhibit 4.4

EXECUTION COPY

THIS STOCK APPRECIATION RIGHTS AGREEMENT IS SUBJECT TO ALL OF THE TERMS AND CONDITIONS OF THE SECURITYHOLDER AGREEMENT, DATED AS OF DECEMBER 4, 2014, BY AND BETWEEN GENERAL COMMUNICATION, INC. AND SEARCHLIGHT ALX, L.P., AS AMENDED FROM TIME TO TIME, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL EXECUTIVE OFFICE OF THE COMPANY. ANY ATTEMPTED TRANSFER IN VIOLATION OF THE TERMS OF SUCH AGREEMENT IS VOID.

THE SARS (AS DEFINED BELOW) REPRESENTED BY THIS STOCK APPRECIATION RIGHTS AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY APPLICABLE STATE SECURITIES LAWS. SUCH SARS MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT AS TO THE SARS UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO EXEMPTIONS FROM THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS.

STOCK APPRECIATION RIGHTS AGREEMENT

This Stock Appreciation Rights Agreement (this "**Agreement**") is made and entered into as of February 2, 2015 by and between General Communication, Inc., an Alaska corporation (the "**Company**") and Searchlight ALX, L.P., a Delaware limited partnership ("**Searchlight**").

Grant Date: February 2, 2015

Number of SARs: 3,000,000 (as adjusted pursuant to Section 3 below)

Exercise Price per SAR: $13.00

Expiration Date: Eight years from Grant Date

Section 1. Grant of SARs.

Section 1.1 Grant. The Company hereby grants to Searchlight an aggregate of 3,000,000 stock appreciation rights (as adjusted pursuant to Section 3 below, the "**SARs**").

Each SAR entitles Searchlight to receive, upon exercise, an amount payable, at the election of the Company in either shares of Class A common stock of the Company (the "**Common Stock**") or cash equal in value to the excess of (a) the Fair Market Value of a share of Common Stock on the date of exercise, over (b) the Exercise Price (the "**Appreciation Value**"). For this purpose, "**Fair Market Value**" means, as of any particular exercise date, the volume weighted average of the Common Stock on the primary stock exchange on which the Common Stock may at the time be listed for the 10 trading day period ending on the day immediately preceding such exercise date.

Section 1.2 Promissory Note; Securityholder Agreement. Simultaneously with the execution of this Agreement, Searchlight is purchasing an Unsecured Promissory Note due 2023 issued by the Company dated as of the date hereof in the principal amount of $75,000,000 (the "**Promissory Note**"); and prior to the execution of this Agreement, Searchlight and the Company have entered into that certain Securityholder Agreement dated as of December 4, 2014 (the "**Securityholder Agreement**") which provides certain rights to Searchlight and provides for certain restrictions on the transfer of the SARs. Capitalized terms used but not defined herein will have the meaning ascribed to them in the Securityholder Agreement.

Section 2. Exercise. Each SAR will become exercisable on the fourth anniversary of the Grant Date (the "**Exercise Date**"), subject to the call right of the Company as set forth in **Section 6.2**.

Section 2.1 Expiration. The SARs will expire on the Expiration Date set forth above, or earlier as provided in this Agreement.

Section 3. Adjustment to Number of SARs and Exercise Price. Pursuant to the terms and conditions set forth in Section 1(a) of the Promissory Note, the Company has the option to pay accrued interest payments under the Promissory Note with the PIK Payment Option (as defined in the Promissory Note). To the extent that the Company exercises the PIK Payment Option in accordance with the terms and conditions of the Promissory Note or an Adjustment Event (as defined below) occurs, then the number of SARs represented by this Agreement from time to time shall be evidenced by notations by the Company on the attached Schedule 1. Such amended Schedule 1 shall promptly thereafter be provided to Searchlight and the number of SARs reflected on such amended Schedule 1 shall be the number of SARs represented by this Agreement. In addition, the number of SARs represented by this Agreement and the Exercise Price of the SARs hereunder shall be subject to adjustment as

provided in Article VI of the Securityholder Agreement, which provisions are expressly incorporated by reference herein (any such adjustment described therein, an "**Adjustment Event**").

Section 4. Manner of Exercise.

Section 4.1 When to Exercise. Except as otherwise provided in this Agreement, Searchlight may exercise its SARs, in whole or in part, at any time after the Exercise Date and until the Expiration Date by following the procedures set forth in this **Section 4**. If partially exercised, Searchlight may exercise the remaining unexercised portion of the SARs at any time after the Exercise Date and until the Expiration Date. No SARs shall be exercisable after the Expiration Date.

Section 4.2 Election to Exercise. To exercise the SARs, Searchlight must deliver to the Company a written notice in accordance with **Section 8.3** of the Securityholder Agreement to the Company which sets forth the number of SARs being exercised, together with any additional documents as the Company may reasonably require (the "**Exercise Notice**"). Each such Exercise Notice must satisfy whatever then current procedures set forth in this Agreement apply to the SARs and must contain such representations as the Company reasonably requires.

Section 4.3 Documentation of Right to Exercise. If someone other than Searchlight exercises the SARs, then such person must submit documentation reasonably acceptable to the Company verifying that the transfer to such person was made in compliance with the terms and conditions of the Securityholder Agreement and that such person has the legal right to exercise the SARs.

Section 4.4 Date of Exercise. The SARs shall be deemed to be exercised on the business day that the Company receives a fully executed Exercise Notice. If the notice is received after business hours on such date, then the SARs shall be deemed to be exercised on the business day immediately following the business day such Exercise Notice is received by the Company.

Section 5. [Reserved]

Section 6. Settlement of SARs; Early Cash-Out Option.

Section 6.1 Upon the exercise of all or a portion of the SARs, Searchlight shall be entitled to shares of Common Stock equal to the Appreciation Value of the SARs

being exercised; provided, that if Searchlight shall have exercised its SARs, then for a period of seven days following the delivery of an Exercise Notice, the Company may, in its discretion deliver a notice to Searchlight pursuant to which it may elect to immediately cancel the SARs that have been exercised and make a cash payment to Searchlight within 45 days thereafter equal to the Appreciation Value of such exercised SARs; provided that if the Company does not deliver such notice, the Company shall deliver such shares of Common Stock to Searchlight within five days following the end of such seven day period. Fractional shares will not be delivered and the number of shares of Common Stock to be delivered on exercise shall be rounded down to the nearest whole share.

Section 6.2 At any time on or after the date that all outstanding amounts (included all accrued interest) under the Promissory Note have been repaid, the Company may, in its discretion deliver a notice to Searchlight (the "**Early Cash-Out Notice**") pursuant to which it may elect to immediately cancel all outstanding SARs in exchange for a cash payment to Searchlight within 45 days thereafter equal to the Adjusted Appreciation Value of such cancelled SARs. For purposes of this Agreement, "**Adjusted Appreciation Value**" shall mean the greater of: (a) the Appreciation Value; or (b) an amount equal to the excess of (i) the Guaranteed Minimum Value (as defined below) of a share of Common Stock on the date of the Early Cash-Out Notice or the date of the Change of Control Notice (as defined below) (as applicable), over (ii) the Exercise Price. "**Guaranteed Minimum Value**" shall be an amount determined pursuant to the following table (which amounts shall be adjusted in the same manner and at the same time as the Exercise Price is adjusted pursuant to the terms of Article VI of the Securityholder Agreement):

Date of Early Cash-Out Notice or Date of Change of Control Notice	Guaranteed Minimum Value
Date of this Agreement	$13.00
On the first anniversary of the date of this Agreement	$14.56
On the second anniversary of the date of this Agreement	$16.34
On the third anniversary of the date of this Agreement	$18.36
On the fourth anniversary of the date of this Agreement	$20.66

On the fifth anniversary of the date of this Agreement	$23.28
On the sixth anniversary of the date of this Agreement	$26.25
On the seventh anniversary of the date of this Agreement	$29.64
On the eighth anniversary of the date of this Agreement	$33.49
On a date that is in between the date of this Agreement and the eighth anniversary of this Agreement (not including the date that is the first, second, third, fourth, fifth, sixth, seventh or eighth anniversary of the date of this Agreement)	An amount equal to: A + ((B – A) * (C/365)) Where: A = the Guaranteed Minimum Value of the first anniversary immediately preceding the date of the Early Cash-Out Notice or the Change of Control Notice (either such notice, the "Notice") B = the Guaranteed Minimum Value of the first anniversary immediately following the date of the Notice C = the number of days between the first anniversary immediately preceding the date of the Notice

Section 7. [Reserved]

Section 8. No Right to Continued Service on the Board. Nothing in this Agreement shall confer upon Searchlight any right to continue to appoint a member of the Board of Directors of the Company. Such right shall be governed exclusively by the terms and conditions of the Securityholder Agreement.

Section 9. No Rights as Shareholder. Searchlight shall not have any rights as a shareholder with respect to any of the shares of Common Stock covered by the SARs prior to the date that it exercises the SARs and becomes the holder of record. Other than pursuant to the terms of this Agreement or the Securityholder Agreement, no adjustment shall be made for dividends or other rights for which the record date is prior to the date of issuance.

Section 10. Transferability. The SARs are not transferable by Searchlight other than as expressly permitted by the terms and conditions of Article III of the Securityholder Agreement. To the extent the SARs are transferred in accordance with the Securityholder Agreement, references to Searchlight herein shall be deemed to refer to such transferee.

Section 11. Change of Control.

Section 11.1 Effect on SARs. For purposes of this Section 11, the phrase "Change of Control" shall have the same meaning as set forth in the Amended and Restated 1986 Stock Option Plan of the Company (restated effective September 26, 2014), and shall also include (i) any merger or other similar transaction in which the Company does not survive or becomes a subsidiary of another Person (other than in connection with a reincorporation of the Company into another jurisdiction), (ii) a liquidation or dissolution of the Company and (iii) a transaction or series of related transactions as a result of or in connection with which the Common Stock becomes eligible for delisting on a national securities exchange; provided, however that a Change of Control shall not be deemed to include an Affiliate who acquires 50% or more but less than 75% of the combined voting power of the then outstanding securities of the Company having the right to vote in the election of directors.

Section 11.2 Change of Control Cash-Out. Notwithstanding anything herein to the contrary, in the event of a Change of Control (which the Company shall give Searchlight ten days written notice ("**Change of Control Notice**") prior to consummation thereof) (a) on or prior to the four-year anniversary of the date of this Agreement, the Company shall pay to Searchlight the Adjusted Appreciation Value of the SARs in cash, and (b) after the four-year anniversary of the date of this Agreement, the Company shall pay to Searchlight (i) the Appreciation Value of the SARs in cash based upon the price per share of Common Stock received or to be received by other shareholders of the Company or if no such consideration is to be received based on the Appreciation Value as calculated elsewhere in this Agreement, if such Change of Control is not an Affiliate Transaction, or (ii) the Adjusted Appreciation Value of the SARs in cash, if such Change of Control is an Affiliate Transaction. Notwithstanding the foregoing, if at the time of a Change of Control that is not an Affiliate Transaction, the Exercise Price of the SAR equals or exceeds the price paid for a share of Common Stock in connection with such Change of Control, the Company may cancel the SARs without the payment of consideration therefor. For purposes of this Agreement, "**Affiliate Transaction**" shall mean a Change of Control involving or with an Affiliate (as defined in the Securityholder Agreement) of the Company.

Section 12. Compliance with Law. The exercise of the SARs shall be subject to compliance by the Company and Searchlight with all applicable laws, including the requirements of any stock exchange on which the Company's shares of Common Stock may be listed. Searchlight may not exercise the SARs if such exercise would violate any applicable Federal or state securities laws or other laws or regulations. Other than with respect to its obligations under the Securityholders Agreement and any registration rights agreement entered into by the Company with Searchlight, Searchlight understands that the Company is under no obligation to register the shares of Common Stock with the Securities and Exchange Commission, any state securities commission or any stock exchange to effect such compliance.

Section 13. Notices. Any notice required to be delivered to the parties under this Agreement shall be made in accordance with **Section 8.3** of the Securityholder Agreement.

Section 14. Governing Law. The governing law for this Agreement and certain related provisions are set forth in Section 8.11 of the Securityholder Agreement.

Section 15. Binding Effect; No Third Party Beneficiaries. This Agreement will be binding upon and inure to the benefit of the parties and their respective permitted successors, transferees and assigns. Except as provided in **Section 10** of this Agreement, nothing in this Agreement, expressed or implied, is intended to confer upon any person or entity, other than the parties or their respective permitted successors, transferees and assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

Section 16. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each provision of this Agreement shall be severable and enforceable to the extent permitted by law.

Section 17. Amendment. This Agreement may be amended or modified only by an instrument in writing signed by each party.

Section 18. Nonalienation of Benefits. Except as provided in Section 10 of this Agreement, (i) no right or benefit under this Agreement shall be subject to anticipation, alienation, sale, assignment, hypothecation, pledge, exchange, transfer, encumbrance or charge, and any attempt to alienate, sell, assign, hypothecate, pledge, exchange, transfer, encumber or charge the same shall be void, and (ii) no right or benefit hereunder shall in any

manner be liable for or subject to the debts, contracts, liabilities or torts of Searchlight or other person entitled to such benefits.

Section 19. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

Section 20. Acceptance. Searchlight hereby acknowledges receipt of a copy of this Agreement. Searchlight has read and understands the terms and provisions thereof, and accepts the SARs subject to all of the terms and conditions of this Agreement and the Securityholder Agreement. Searchlight acknowledges that there may be adverse tax consequences upon exercise of the SARs and that Searchlight should consult a tax advisor prior to such exercise.

Section 21. Nature of SAR Interest. The SAR will be entirely unfunded, and nothing contained in, and no action taken pursuant to, this Agreement will create or be construed to create a trust or funded benefit of any kind in favor of any Person, or a fiduciary relationship between or among the Company, the Company Board of Directors, Searchlight or any other Person. Title to and beneficial ownership of all assets, if any, whether cash or investments, that the Company may designate to pay the SAR Appreciation Value will at all times remain in the Company's general asset account, and neither Searchlight nor any other Person will have any right or property interest whatsoever in any such asset of the Company until such SAR Appreciation Value is required to be paid to Searchlight in accordance with this Agreement. The Company will not be required to pre-fund its obligations under this Agreement in any manner, whether by purchase of insurance contracts, contributions to a trust fund, deposits in an escrow account or otherwise. If the Company in its discretion does purchase any such contract or deposit funds in any such fund or account, Searchlight will not have any right or interest in or to such contract, trust or account, and Searchlight will have only the rights of a general unsecured creditor with respect to the Company's unsecured promise to pay the SAR Appreciation Value in accordance with this Agreement.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

General Communication, Inc.

By: /s/ Thomas C. Chesterman
Name: Thomas C. Chesterman
Title: Vice President, Finance

Searchlight ALX, L.P.

By: Searchlight ALX GP, LLC, its general partner

By: /s/ Eric Zinterhofer
Name: Eric Zinterhofer
Title: Authorized Person

SCHEDULE 1

ADJUSTMENTS TO NUMBER OF SARS
FOLLOWING EACH EXERCISE OF PIK PAYMENT OPTION OR ADJUSTMENT EVENT

Number of SARs Before Exercise of PIK Payment Option or Adjustment Event	Date of Exercise of PIK Payment Option or Applicable Adjustment Event	Number of SARs Issued In Connection With Exercise of PIK Payment Option Or Adjustment Event	Number of SARS After Exercise of PIK Payment Option or Adjustment Event	Notation Made By
3,000,000				

Exhibit 10.50

****CONFIDENTIAL PORTION has been omitted pursuant to a request for confidential treatment by the Company to, and the material has been separately filed with, the SEC. Each omitted Confidential Portion is marked by four asterisks.

TWENTIETH AMENDMENT TO THE
FULL-TIME TRANSPONDER CAPACITY AGREEMENT (PRE-LAUNCH)

This Twentieth Amendment to the Full-time Transponder Capacity Agreement (Pre-Launch) (the "Nineteenth Amendment") is made and entered into as of this 11th day of August, 2014 (the "Effective Date") by and between INTELSAT CORPORATION, a Delaware corporation ("Intelsat"), and GCI COMMUNICATIONS CORP., an Alaskan corporation ("Customer").

RECITALS

WHEREAS, pursuant to that certain Full-Time Transponder Capacity Agreement (Pre-Launch) dated as of March 31, 2006, as amended (collectively, the "Agreement") between Intelsat and Customer, Intelsat is providing Customer with **** transponders on Galaxy 18 (the "**** Transponders"); **** transponders on Galaxy 18 (the "**** Transponders"); and **** transponders on Horizons 1 (the "**** Transponder");

WHEREAS, Customer wishes **** Intelsat, all of which is further defined below;

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and of mutual covenants and agreements hereinafter set forth, the sufficiency and receipt of which is hereby acknowledged, the parties agree as follows:

1. Except as specifically provided herein, all terms and provisions of the Agreement shall remain in full force and effect.

2. Section 1.1, Description of Capacity. This Section shall be deleted and replaced with the following:

   "Intelsat agrees to provide to Customer and Customer agrees to accept from Intelsat, on a **** day, **** week), in outerspace, for the Capacity Term (as defined here), the Customer's Transponder Capacity (defined below) meeting the "Performance Specifications" set forth in the "Technical Appendix" attached hereto as Appendix B. For purposes of this Agreement, the "Customer's Transponder Capacity" or "Customer's Transponders" shall **** (a) **** (as defined in Section 1.2, below) **** transponders (collectively, the "Customer's **** Transponders' and individually, the "Customer's **** Transponder") from that certain U.S. domestic satellite referred to by Intelsat as "****," located **** Longitude, (b) **** transponders from the **** of that certain satellite referred to by Intelsat as "****" at **** Longitude ("Customer's **** Transponder"); (c) **** Transponder **** on ****; (d) **** Transponder from that certain U.S. domestic satellite referred to by Intelsat as "****,"

located **** Longitude (the "**** Transponder"); (e) **** Transponder **** on **** (the "**** Transponder ****"); (f) **** Transponder **** on **** (the "**** Transponder ****")."

3. Section 3.1, Monthly Fee. Customer's Monthly Fee shall be as set forth in Appendix A attached hereto.

4. Except as specifically set forth in this Amendment, all terms and conditions of the Agreement remain in full force and effect.

IN WITNESS WHEREOF, each of the Parties hereto has duly executed and delivered this Eighteenth Amendment as of the day and year above written.

INTELSAT CORPORATION		GCI COMMUNICATION CORP.	
By:	/s/ Stephen A. Chernow	By:	/s/ Jimmy Sipes
Name:	Stephen A. Chernow	Name:	Jimmy Sipes
Title:	VP & Deputy General Counsel	Title:	VP Network Services & Chief Engineer
Date:	August 13, 2014	Date:	August 11, 2014

APPENDIX A

CUSTOMER'S TRANSPONDER CAPACITY AND PAYMENT SCHEUDLE FOR
GCI COMMUNICATIONS CORP.

SVO #	****/ Transponder No	Transponder Type	Capacity Term	Monthly Fee
	****	****	**** _ ****	US$**** **
	****	****	**** _ ****	US$**** **
	****	****	**** _ ****	US$**** *
	****	****	**** _ ****	US$**** **
	****	****	**** _ ****	US$**** **
	****	****	**** _ ****	US$**** **
	****	****	**** _ ****	US$**** *
	****	****	**** _ ****	US$**** **
	****	****	**** _ ****	US$**** *
	****	****	**** _ ****	US$**** *
	****	****	**** _ ****	US$**** *
	****	****	**** _ ****	US$**** **
	****	****	**** _ ****	US$**** *
	****	****	**** _ ****	US$**** *
	****	****	**** _ ****	US$**** *
	****	****	**** _ ****	US$**** ***
	****	****	**** _ ****	US$**** ***
	****	****	**** _ ****	US$**** ***
	****	****	**** _ ****	US$**** ***
	****	****	**** _ ****	US$**** ***

* **** Fee includes US$**** for **** Fee and the US$**** for each of **** Transponders under Article 14. If the **** Longitude **** Transponder is **** or **** Customer is **** Transponder on **** (of its successor satellite), the **** Fee **** Transponder ****. If, however, the **** Longitude **** Transponder ****, then the **** Fee for **** Transponder **** Fee. The **** Longitude **** fee shall be ****.

** **** Fee includes US$**** for **** Fee and the US$**** for each of **** and **** Transponders with **** Replacement **** under Article 15. If the **** Replacement Transponder is **** or **** Customer **** Transponder on **** Replacement, the **** Fee

**** Transponder ****. If, however, the **** Replacement Transponder ****, then the **** Fee for **** Transponder **** Fee. The *** Replacement **** Fee shall be ****.

*** **** Fee includes US$**** for **** Fee and the US$**** for **** Customer's **** Transponder Galaxy XR **** Fees (hereinafter referred to as the "**** Fee" as **** is the Replacement Satellite **** Galaxy XR), **** for transponder ****. If the **** Transponder **** (as defined in Article 17), the **** Fee **** Transponder ****. If, however, the **** Transponder **** (as defined in Article 17), then the **** Fee **** Transponder **** Fee. The **** Fee shall be ****.

Exhibit 10.51

EXECUTION COPY

FOURTH AMENDED AND RESTATED CREDIT AND GUARANTEE AGREEMENT

dated as of February 2, 2015

among

GCI HOLDINGS, INC.,
as Borrower,

GCI, INC.,
as Parent,

the Subsidiary Guarantors party hereto

the Lenders party hereto,

MUFG UNION BANK, N.A.,
and
SUNTRUST BANK,
as Co-Syndication Agents,

BANK OF AMERICA, N.A.,
as Documentation Agent,

and

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK,
as Administrative Agent

_____

SUNTRUST ROBINSON HUMPHREY, INC.,

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK,

and

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,
as Co-Lead Arrangers and Joint Book Runners

Bryan Cave LLP
1290 Avenue of the Americas
New York, New York 10104

TABLE OF CONTENTS

EXHIBITS:

SCHEDULES:

FOURTH AMENDED AND RESTATED CREDIT AND GUARANTEE AGREEMENT, dated as of February 2, 2015, among GCI HOLDINGS, INC., GCI, INC., the SUBSIDIARY GUARANTORS party hereto, the LENDERS party hereto, MUFG UNION BANK, N.A., and SUNTRUST BANK, as Co-Syndication Agents, BANK OF AMERICA, N.A., as Documentation Agent, and CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK, as Administrative Agent.

RECITALS

This Fourth Amended and Restated Credit and Guarantee Agreement amends, restates, replaces and supersedes, in its entirety, without a breach in continuity and without constituting a novation, the Third Amended and Restated Credit and Guarantee Agreement, dated as of April 30, 2013 (as amended to but excluding the Fourth Restatement Closing Date (as defined below), the "Existing Credit Agreement"), among the Borrower, the subsidiary guarantors party thereto, the lenders party thereto, the other parties thereto and Credit Agricole CIB, as the administrative agent.

The Borrower acknowledges that on the Fourth Restatement Closing Date (as hereinafter defined), the Borrower has (1) Existing Revolving Loans (as hereinafter defined) in the outstanding principal amount of $81,489,372.21, (1) Existing Term Loans (as hereinafter defined) in the outstanding principal amount of $240,000,000, and (1) no Add-on Term Loans (as hereinafter defined).

For convenience, references to certain matters related to the period prior hereto have been deleted.

Accordingly, the parties hereto agree as follows:

Article 1

DEFINITIONS

Section 1.1. Defined Terms

As used in this Agreement, the following terms have the meanings specified below:

"ABR", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

"ABR Floor" means 2.00%.

"Acquisition" has the meaning set forth in Section 7.5.

"ACS Wireless" means ACS Wireless, Inc., an Alaska corporation.

"Add-on Term Loan" has the meaning set forth in the Existing Credit Agreement.

"Additional Refinancing Lender" shall mean, at any time, any bank, financial institution or other institutional lender or investor that agrees to provide any portion of Credit Agreement Refinancing Debt pursuant to a Refinancing Amendment in accordance with Section 2.14; provided that each Additional Refinancing Lender shall be subject to the approval of (i) the Administrative Agent, such approval not to be unreasonably withheld or delayed, to the extent that each such Additional Refinancing Lender is not then an existing Lender, an Affiliate of a then existing Lender or an Approved Fund, and (ii) the Borrower.

"Adjusted Operating Cash Flow" means, with respect to any Person, (1) Operating Cash Flow of such Person adjusted, on a consistent basis, to give effect to each acquisition, disposition and merger that occurred during the relevant period as if each had occurred on the first day of such period, plus (1) additional costs and expenses (including, without limitation, additional handset costs) of the Borrower and the Subsidiaries incurred during the relevant period but prior to the first anniversary of the Fourth Restatement Closing Date arising out of the AWN Transaction and the Borrower's business plan with respect to AWN, but not in excess of $25,000,000, plus (1) costs and expenses of the Borrower and the Subsidiaries incurred during the relevant period in connection with, and cost savings and synergies to be realized within 12 months of the consummation of, Acquisitions consummated pursuant to Section 7.5(e), provided that the Borrower shall have delivered to the Administrative Agent a certificate of a Responsible Officer setting forth such Responsible Officer's good faith estimate, in reasonable detail, of such reasonably anticipated costs, expenses, cost savings and synergies, provided further that in no event shall the amount under this clause (c) for the relevant period exceed 10% of Adjusted Operating Cash Flow for such period immediately prior to giving effect to any adjustment pursuant to this clause (c).

"Administrative Agent" means Credit Agricole CIB, in its capacity as administrative agent for the Lenders hereunder, or any successor thereto appointed pursuant to Article 9.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affected Sale" has the meaning set forth in Section 2.7(d).

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agents" means, collectively, the Administrative Agent, the Syndication Agent and the Documentation Agent.

"Aggregate Increased Revolving Amount" has the meaning set forth in Section 2.5(d)(B).

"Agreement" means this Fourth Amended and Restated Credit and Guarantee Agreement, as amended, restated, supplemented or otherwise modified from time to time.

"Alternate Base Rate" means, for any day, a rate per annum equal to the greatest of (i) the Prime Rate in effect on such day, (ii) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1% and (iii) the One Month LIBO Rate plus 1%. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the One Month LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the One Month LIBO Rate, respectively.

"Amortization Event" has the meaning set forth in Section 2.7(c).

"Amortization Termination Event" has the meaning set forth in Section 2.7(c).

"Anti-Corruption Laws" means all laws, rules, and regulations of any jurisdiction applicable to the Parent or its Subsidiaries from time to time concerning or relating to bribery or corruption.

"Applicable Margin" means:

(a) (X) Prior to the Fourth Restatement Closing Date, the Applicable Margin (as defined in the Existing Credit Agreement), and (Y) with respect to Borrowings of Existing Facility Loans and Swingline Loans at all times from and after the Fourth Restatement Closing Date, (i) with respect to each ABR Borrowing and each Swingline Loan, the per annum rate equal to the percentage set forth below under the heading "ABR Margin" during the applicable periods set forth below, and (ii) with respect to each Eurodollar Borrowing and the fees payable under Section 3.3(b)(i), the per annum rate equal to the percentage set forth below under the heading "Eurodollar and LC Fee Margin" during the applicable periods set forth below, provided that until the delivery pursuant to Section 6.1(c) of the Compliance Certificate for the second full fiscal quarter after the Fourth Restatement Closing Date, the Total Leverage Ratio shall (solely for purposes of determining the Applicable Margin) be deemed to equal the Total Leverage Ratio in effect immediately preceding the Fourth Restatement Closing Date:

When the Total Leverage Ratio is:		**ABR Margin**	**Eurodollar and LC Fee Margin**
Less Than	**Greater Than or Equal to**		
	5.5:1.0	2.00%	3.00%
5.5:1.0	5.0:1.0	1.75%	2.75%
5.0:1.0	4.5:1.0	1.50%	2.50%
4.5:1.0	4.0:1.0	1.25%	2.25%
4.0:1.0		1.00%	2.00%

(b) With respect to Borrowings consisting of Term B Loans (1) in the case of Eurodollar Borrowings, 3.75% per annum, and (1) in the case of ABR Borrowings, 2.75% per annum.

Changes in the Applicable Margin resulting from a change in the Total Leverage Ratio shall be based upon the Compliance Certificate most recently delivered under Section 6.1(c) and shall

become effective on the date such Compliance Certificate is received by the Administrative Agent. Notwithstanding anything to the contrary in this definition, if the Borrower shall fail to deliver to the Administrative Agent a Compliance Certificate on or prior to any date required hereby, then solely for purposes of determining the "Applicable Margin", the Total Leverage Ratio shall be deemed to be greater than or equal to 5.5:1.0 from and including such date to the date of receipt by the Administrative Agent of such certificate. In the event that any financial statement or certification delivered pursuant to Section 6.1 is shown to be inaccurate, and such inaccuracy, if corrected, would have led to the application of a higher Applicable Margin for any period (an "Applicable Period") than the Applicable Margin applied for such Applicable Period, the Borrower shall immediately (a) deliver to the Administrative Agent a corrected compliance certificate for such Applicable Period, (b) determine the Applicable Margin for such Applicable Period based upon the corrected compliance certificate, and (c) immediately pay to the Administrative Agent for the benefit of the Lenders the accrued additional interest and other fees owing as a result of such increased Applicable Margin for such Applicable Period, which payment shall be promptly distributed by the Administrative Agent to the Lenders entitled thereto.

"Applicable Percentage" means, with respect to any Revolving Lender, the percentage of the total Revolving Commitments represented by such Lender's Revolving Commitment. If the Revolving Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Revolving Commitments most recently in effect, giving effect to any assignments.

"Approved Debt" means Indebtedness incurred by the Parent or any subsidiary thereof (other than NMTC Subsidiaries) (a) having a final stated maturity date that is earlier than the Permitted Debt Maturity Date, and (b) in an aggregate principal amount at any one time outstanding not in excess of $10,000,000.

"Approved Fund" means any Person (other than a natural person) that is primarily engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c)(i) an entity or an Affiliate of an entity that administers or manages a Lender or (ii) an entity or an Affiliate of an entity that is the investment advisor to a Lender.

"Arrangers" means SunTrust Robinson Humphrey, Inc., Credit Agricole CIB, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, in their capacities as Co-Lead Arrangers of the credit facility evidenced by this Agreement.

"Assignment and Acceptance" means an assignment and acceptance entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 10.4(b)(iii)), and accepted by the Administrative Agent, substantially in the form of Exhibit A or any other form approved by the Administrative Agent and the Borrower.

"Authorization" means, collectively, (a) any FCC License, (b) any Franchise, or (c) any other franchise, franchise application, ordinance, agreement, permit, license, order, certificate, registration, qualification, variance, license, approval, permit or other form of permission, consent

or authority issued by the FCC, any State PUC, or any other Governmental Authority regulating the ownership or operation of the Communications Business.

"AWN" means The Alaska Wireless Network, LLC, a Delaware limited liability company.

"AWN Purchase Agreement" means the Purchase and Sale Agreement, dated as of December 4, 2014, by and among Alaska Communications Systems Group, Inc., ACS Wireless, Inc., GCI Communication Corp., GCI Wireless Holdings, LLC, General Communication, Inc. and The Alaska Wireless Network, LLC pursuant to which GCI Wireless will purchase all of ACS Wireless' Equity Interests in AWN.

"AWN Transaction" means the acquisition by GCI Wireless of all of the AWN equity interests held by ACS Wireless and subscribers, as contemplated by the AWN Purchase Agreement.

"Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"Borrower" means GCI Holdings, Inc., an Alaska Corporation.

"Borrowing" means Loans of the same Type and Class, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect.

"Borrowing Request" means a Borrowing Request, substantially in the form of Exhibit C.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed, provided that, when used in connection with a Eurodollar Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

"Capital Lease Obligations" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"Cash Equivalents" means:

(a) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof (provided that the full faith and credit of the United States is pledged in support thereof), maturing not more than one year from the date of acquisition;

(b) certificates of deposit, dollar time deposits and eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers' acceptances with maturities not exceeding one year and overnight bank deposits, in each case, with any Credit Party making such

deposits available in the ordinary course of business, First National Bank of Alaska, Northrim Bank or any domestic commercial bank having capital and surplus in excess of $500,000,000 and a rating at the time of acquisition thereof of "P-2" or better from Moody's or "A-2" or better from S&P;

(c) repurchase obligations for underlying securities of the types described in clauses (a) and (b) above entered into with any financial institution meeting the qualifications specified in clause (b) above;

(d) commercial paper issued by a corporation (other than an Affiliate of the Borrower) rated at least "P-1" or higher from Moody's or "A-1" or higher from S&P, and in each case maturing within one year after the date of acquisition;

(e) securities issued and fully guaranteed by any state, commonwealth or territory of the United States, or by any political subdivision or taxing authority thereof, rated at least "A2" by Moody's or at least "A" by S&P and in each case having maturities of not more than one year from the date of acquisition; and

(f) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (a) through (e) of this definition or cash.

"Cash Interest Expense" means, for any Person for any period, an amount equal to (a) the interest expense (including, without limitation, the interest component of Capital Lease Obligations) of such Person and its subsidiaries during such period determined on a consolidated basis in accordance with GAAP, but without taking into account any payments, accruals or other items whatsoever under or with respect to any Interest Rate Derivative, minus (b) all payments (including, without limitation, all initial payments, periodic payments and termination payments) received by such Person and its subsidiaries during such period on a consolidated basis under all Interest Rate Derivatives, plus (c) all payments (including, without limitation, all initial payments, periodic payments and termination payments) made by such Person and its subsidiaries during such period on a consolidated basis under all Interest Rate Derivatives.

In the event that such Person incurs, assumes, guarantees or repays any Indebtedness subsequent to the commencement of the period for which Cash Interest Expense is being calculated, then Cash Interest Expense shall be calculated giving pro forma effect to such incurrence, assumption, guarantee or repayment of Indebtedness as if the same had occurred at the beginning of the applicable period.

"Change in Control" means the occurrence of one or more of the following events: (1) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions), but other than by way of merger or consolidation, of all or substantially all of the assets of GCI or the Parent to any Person or group of related Persons for purposes of Section 13(d) of the Securities Exchange Act of 1934 (a "Group"), together with any Affiliates thereof (whether or not otherwise in compliance with the provisions hereof) other than to the Permitted Holders; (2) the approval by the holders of Equity Interests of GCI or the Parent, as the case may be, of any plan or proposal for the liquidation or dissolution of GCI or the Parent, as the case may be (whether or not otherwise in compliance with the provisions hereof); (3) any Person or Group (other than the Permitted Holders,

any entity formed for the purpose of owning Equity Interests of the Parent or any direct or indirect wholly owned subsidiary of GCI) shall become the owner, directly or indirectly, beneficially or of record, of shares representing more than 50% of the aggregate ordinary voting power represented by Equity Interests of GCI or the Parent; or (4) the failure of the Parent to own directly, beneficially and of record, 100% of the aggregate voting power and economic interests represented by the issued and outstanding Equity Interests of the Borrower on a fully diluted basis.

"Change in Law" means (i) the adoption of any law, rule or regulation by any Governmental Authority after the Fourth Restatement Closing Date, (ii) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the Fourth Restatement Closing Date or (iii) compliance by any Credit Party (or, for purposes of Section 3.5(b), by any lending office of such Credit Party or by such Credit Party's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the Fourth Restatement Closing Date; provided that notwithstanding anything herein to the contrary, (a) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith, and (b) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law," regardless of the date enacted, adopted or issued.

"Class" means (i) when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans under the Existing Revolving Facility, Existing Term Loans, Term B Loans, a tranche of Incremental Term Loans, a Refinancing Series of Refinancing Revolving Loans, a Refinancing Series of Refinancing Term Loans, Extended Term Loans from the same Extension, Extended Revolving Loans from the same Extension, or Swingline Loans and (ii) when used in reference to any Lender, refers to such Lender in its capacity as a holder of Revolving Loans under the Existing Revolving Facility, Existing Term Loans, Term B Loans, Incremental Term Loans of a particular tranche, Refinancing Revolving Loans of a particular Refinancing Series, Refinancing Term Loans of a particular Refinancing Series, Extended Term Loans from a particular Extension or Revolving Term Loans from a particular Extension, as applicable.

"CoBank" means CoBank, ACB.

"CoBank Equities" means, as of any date, any and all Equity Interests issued by CoBank and held by one or more of the Loan Parties.

"Code" means the Internal Revenue Code of 1986.

"Collateral" means any property of any Loan Party which, pursuant to any Security Document, secures any or all of the Obligations.

"Commitment Fee Rate" means (X) prior to the Fourth Restatement Closing Date, the Commitment Fee Rate (as defined in the Existing Credit Agreement), and (Y) at all times from

and after the Fourth Restatement Closing Date, the per annum rate equal to the percentage set forth below under the heading "Commitment Fee Rate" during the applicable periods set forth below, provided that until the delivery pursuant to Section 6.1(c) of the Compliance Certificate for the second full fiscal quarter after the Fourth Restatement Closing Date, the Total Leverage Ratio shall (solely for purposes of determining the Commitment Fee Rate) be deemed to equal the Total Leverage Ratio in effect immediately preceding the Fourth Restatement Closing Date:

When the Total Leverage Ratio is:		Commitment Fee Rate
Less Than	Greater Than or Equal to	
	4.5:1.0	0.500%
4.5:1.0		0.375%

Changes in the Commitment Fee Rate resulting from a change in the Total Leverage Ratio shall be based upon the Compliance Certificate most recently delivered under Section 6.1(c) and shall become effective on the date such Compliance Certificate is received by the Administrative Agent. Notwithstanding anything to the contrary in this definition, if the Borrower shall fail to deliver to the Administrative Agent a Compliance Certificate on or prior to any date required by Section 6.1(c), then solely for purposes of determining the "Commitment Fee Rate", the Total Leverage Ratio shall be deemed to be equal to or greater than 4.5:1.0 from and including such date to the date of receipt by the Administrative Agent of such certificate.

"Commitments" means, collectively, the Revolving Commitments, the Term B Loan Commitments and, if existing, the Incremental Term Commitments, the Refinancing Revolving Commitments, the Refinancing Term Commitments, the Extended Revolving Commitments and commitments with respect to Extended Term Loans.

"Communications Act" means the Federal Communications Act of 1934, and the rules and regulations issued thereunder.

"Communications Business" means the cable (including without limitation cable television), local access, wireline and wireless (whether fixed or mobile) communications systems and other businesses (including long distance, data and internet services) of the Borrower and the Subsidiaries (other than NMTC Subsidiaries) generally.

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. §1 et seq.), and the rules and regulations issued thereunder.

"Compliance Certificate" means a certificate, substantially in the form of Exhibit G.

"Compliance Certificate Delivery Date" means the date on which a Compliance Certificate is delivered to the Administrative Agent in accordance with Section 6.1(c).

"Compliance Certificate Reference Date" means, with respect to each Compliance Certificate delivered to the Administrative Agent in accordance with Section 6.1(c), the end date of the fiscal period for the financial statements to which such Compliance Certificate relates.

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

"Copyright Act" means The Copyright Act of 1976.

"Credit Agreement Refinancing Debt" means Indebtedness issued, incurred or otherwise obtained (including by means of the extension or renewal of existing Indebtedness) in exchange for, or to extend, renew, replace, repurchase, retire or refinance, in whole or part, Revolving Loans, Existing Term Loans, Term B Loans, Incremental Term Loans, Extended Term Loans or any then existing Credit Agreement Refinancing Debt ("Refinanced Debt"); provided that (i) such Indebtedness has a maturity no earlier than, and a Weighted Average Life to Maturity equal to or greater than, the Refinanced Debt, (ii) such Indebtedness shall not have a greater principal amount than the principal amount of the related Refinanced Debt plus accrued interest, fees, premiums (if any) and penalties thereon and reasonable fees and expenses associated with the refinancing, (iii) such Indebtedness shall not be secured by any assets that do not constitute Collateral, (iv) such Indebtedness is not at any time guaranteed by any Subsidiaries other than Subsidiary Guarantors, (v) such Indebtedness shall rank pari passu or junior in right of payment and of security (if any) with the other Loans, (vi) such Refinanced Debt shall be repaid, repurchased, retired, defeased or satisfied and discharged, and all accrued interest, fees, premiums (if any) and penalties in connection therewith shall be paid, on the date such Credit Agreement Refinancing Debt is issued, incurred or obtained, (vii) such Indebtedness shall have such pricing (including interest rate margins, rate floors, fees, premiums and funding discounts) and optional prepayment terms as may be agreed by the Borrower and the Additional Refinancing Lenders thereof, and (viii) the terms and conditions of such Indebtedness (except as otherwise provided in clause (vii) above and with respect to pricing (including interest rate margin, rate floors, fees, premiums and funding discounts) and optional prepayment or redemption terms) are substantially identical to, or are not materially more favorable, taken as a whole, to the lenders or holders providing such Indebtedness (in the good faith determination of the Borrower and the Administrative Agent) than those applicable to the Refinanced Debt being refinanced (except for covenants or other provisions applicable only to periods after the Latest Maturity Date at the time of incurrence of such Indebtedness).

"Credit Agricole CIB" means Credit Agricole Corporate and Investment Bank and its successors.

"Credit Parties" means the Administrative Agent, the Issuing Bank, the Swingline Lender and the Lenders.

"Default" means any event or condition that constitutes an Event of Default or that upon notice, lapse of time or both would, unless cured or waived, become an Event of Default under Article 8.

"Defaulting Lender" means any Lender, as reasonably determined by the Administrative Agent (and the Administrative Agent shall promptly notify the parties hereto after making such determination), that has (1) failed to fund any portion of its Loans or participations in Letters of Credit or Swingline Loans within three Business Days of the date required to be funded by it hereunder, unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, (1) notified any Loan Party or any Credit Party in writing that it does not intend to comply with any of its funding obligations under this Agreement or has made a public statement to the effect that it does not intend to comply with its funding obligations under this Agreement, unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied, (1) failed, three Business Days after written request by the Administrative Agent or the Borrower (at any time the Administrative Agent or the Borrower) shall have reasonably determined that such Lender may fail to comply with the terms of this Agreement relating to its obligations to fund prospective Loans or participations in then outstanding Letters of Credit or Swingline Loans), to confirm it will comply with the terms of this Agreement relating to such obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), (1) otherwise failed to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within one Business Day of the date when due, unless the subject of a good faith dispute, or (1)(1) become or is insolvent or has a direct or indirect parent company that has become or is insolvent or (1) become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, interim receiver, receiver and manager, administrator, liquidator, conservator, trustee or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or has a direct or indirect parent company that has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, interim receiver, receiver and manager, administrator, liquidator, conservator, trustee or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment. For the avoidance of doubt, the mere acquisition or maintenance by a Governmental Authority of a Lender in and of itself will not cause a Lender to be a "Defaulting Lender" as long as it does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets, or permits such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender.

"Disclosed Matters" means the actions, suits and proceedings and the environmental matters disclosed in Schedule 4.6.

"Disqualified Equity" means any Equity Interest of any Person that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder

thereof, in whole or in part, or requires or mandates payments or distributions, on or prior to the date that is one year after the Term B Maturity Date; provided, however, that an Equity Interest that would constitute Disqualified Equity solely because the holders thereof have the right to require such Person to repurchase or redeem such Equity Interests upon the occurrence of one or more certain events shall not constitute Disqualified Equity if the terms of such Equity Interest provide that such Person may not repurchase or redeem any such Equity Interest unless such repurchase or redemption complies with Section 7.8. The term "Disqualified Equity" shall also include any option, warrant or other right that is convertible into Disqualified Equity or that is redeemable at the option of the holder, or required to be redeemed, prior to the date that is one year after the Term B Maturity Date.

"Documentation Agent" means Bank of America, N.A., in its capacity as a documentation agent hereunder.

"dollars" or "$" refers to lawful money of the United States of America.

"Effective Yield" means, as of any date of determination (1) with respect to the Term B Loans, the sum of (1) the higher of (x) the LIBO Rate on such date for a deposit in Dollars with a maturity of one month and (y) the LIBO Floor, (1) the Applicable Margin for Term B Eurodollar Borrowings, and (1) the amount of original issue discount and upfront fees thereon (converted to yield assuming the lesser of (x) a four year average life and (y) the remaining life to maturity, and without any present value discount), but excluding the effect of any arrangement, structuring, underwriting and syndication fees and other fees payable in connection therewith that are not shared with and generally paid to Term B Lenders, and (1) with respect to any other Indebtedness, the sum of (1)(A) the fixed rate of interest therefor, or (B) if the rate of interest applicable thereto is not a fixed rate, the sum of (I) the higher of (x) any eurodollar base rate (or, if no eurodollar base rate, any other base rate then applicable) for the calculation of interest thereon, and (y) any floor on such base rate, and (II) any margin for the calculation of interest thereon based on the applicable base rate, and (1) the amount of original issue discount and upfront fees thereon (converted to yield assuming the lesser of (x) a four year average life and (y) the remaining life to maturity, and without any present value discount), but excluding the effect of any arrangement, structuring, underwriting and syndication fees and other fees payable in connection therewith that are not shared with and generally paid to the lenders with respect to such Indebtedness.

"Environmental Laws" means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority having the force or effect of law or regulation, relating in any way to the environment, preservation or reclamation of natural resources, or the management, release or threatened release of any Hazardous Material.

"Environmental Liability" means, as to any Person, any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of such Person directly or indirectly resulting from or based upon (i) violation of any Environmental Law, (ii) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (iii) exposure to any Hazardous Materials, (iv) the release or threatened release of any Hazardous Materials into the environment or (v) any contract, agreement

or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Interest" means (a) a share of corporate stock, a partnership interest, a membership interest in a limited liability company, any interest that confers on a Person the right to receive a share of the profits and losses of the issuing Person and any other interest (other than to the extent constituting a debt) that confers on a Person the right to receive a share of the distribution of assets upon the liquidation of the issuing Person and (b) all warrants, options or other rights to acquire any Equity Interest set forth in clause (a) of this defined term (but excluding any debt security that is convertible into, or exchangeable for, any such Equity Interest).

"ERISA" means the Employee Retirement Income Security Act of 1974.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event" means (i) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (ii) the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (iii) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (iv) the incurrence by the Borrower or any ERISA Affiliate of any liability under Title IV of ERISA with respect to the distress termination of any Plan; (v) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan under Section 4042 of ERISA; (vi) the incurrence by the Borrower or any ERISA Affiliate of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (vii) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

"Eurodollar", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the LIBO Rate.

"Event of Default" has the meaning assigned to such term in Article 8.

"Excluded Collateral" means interests of the Borrower and the Subsidiary Guarantors in (a) the following interests in Real Property (except to the extent that a lien thereon may be perfected by the filing of a uniform commercial code financing statement): (i) interests in Real Property owned or held by the Borrower or any Subsidiary Guarantor on the Fourth Restatement Closing Date, (ii) fee interests in Real Property acquired after the Fourth Restatement Closing Date

not in excess of $20,000,0000 in respect of any individual parcel (or contiguous parcels) of Real Property, or $40,000,000 in the aggregate, and (iii) leasehold interests in Real Property, (b) patents, trademarks and copyrights (other than any patents, trademarks and copyrights constituting Collateral immediately prior to the Fourth Restatement Closing Date) not in excess of $10,000,000 in the aggregate, (c) joint ventures (other than any joint ventures constituting Collateral immediately prior to the Fourth Restatement Closing Date) not in excess of $10,000,000 individually or $20,000,000 in the aggregate, and (d) personal property acquired after the Fourth Restatement Closing Date not included in the definition of "Collateral" as defined in the Security Agreement.

"Excluded Subsidiary" means United Utilities, Inc., an Alaska corporation, Unicom, Inc., an Alaska corporation, United-KUC, Inc., an Alaska corporation, GCI Community Development, LLC, an Alaska limited liability company, United2, LLC, an Alaska limited liability company, Denali Media Juneau, Corp., an Alaska corporation, Denali Media Southeast, Corp., an Alaska corporation, Denali Media Anchorage, Corp., an Alaska corporation, each NMTC Subsidiary, any future Subsidiary designated as an "Excluded Subsidiary" by the Borrower in a written notice delivered to the Administrative Agent in accordance with Section 6.11, and each existing and future subsidiary of each of the foregoing.

"Excluded Swap Obligations" means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application of or official interpretation of any thereof) by virtue of such Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the Guarantee of such Guarantor or the grant of such security interest becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guarantee or security interest is or becomes illegal.

"Excluded Taxes" means, with respect to any Credit Party or any other recipient of any payment to be made by or on account of any obligation of any Loan Party under any Loan Document, (i) net income or net profits, net worth, capital and franchise Taxes imposed in lieu of net income Taxes imposed (A) by the United States of America or by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient (or, in the case of a pass through entity, any of its beneficial owners) is organized or in which its principal office is located or, in the case of any Credit Party, in which its applicable lending office is located or (B) as a result of a present or former connection between such recipient or such beneficial owner thereof and the jurisdiction of the Governmental Authority imposing such Tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from such recipient having executed, delivered or performed its obligations or received a payment under, or enforced, any Loan Document), (ii) any branch profits Taxes imposed by the United States of America or any similar Tax imposed by any other jurisdiction in which such Loan Party is organized or in which its principal office is located or, in the case of any Credit Party, in which its applicable lending office is located, (iii) in the case of a Foreign Lender, United States federal withholding Taxes, including backup

withholding Taxes, imposed on amounts payable to such Foreign Lender unless such Taxes are imposed as a result of a change in the applicable statute, regulation or treaty occurring after such Lender becomes a party hereto (or designates a new lending office), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from such Loan Party with respect to such Taxes pursuant to Section 3.7, (iv) Taxes resulting from a Lender's (or, in the case of a pass-through entity, any of its beneficial owners') failure to comply with Section 3.7(e) or (f), and (v) any United States federal withholding taxes imposed under FATCA.

"Existing Credit Agreement" has the meaning set forth in the Recitals.

"Existing Facility Loan" means a Revolving Loan under the Existing Revolving Facility or an Existing Term Loan.

"Existing Facility Maturity Date" means April 30, 2018.

"Existing Letter of Credit" means each letter of credit listed on Schedule 1.1B.

"Existing Revolving Facility" means the Revolving Commitments other than Extended Revolving Commitments and Refinancing Revolving Commitments and the Revolving Loans other than Extended Revolving Loans and Refinancing Revolving Loans.

"Existing Revolving Loans" means Revolving Loans under and as defined in the Existing Credit Agreement.

"Existing Term Lender" means a Lender that holds an Existing Term Loan.

"Existing Term Loan" means a Delayed Draw Term Loan (as defined in the Existing Credit Agreement).

"Extended Revolving Commitment" has the meaning given to such term in Section 2.15(a).

"Extended Revolving Loans" means Loans made to the Borrower pursuant to Extended Revolving Commitments.

"Extended Term Loans" has the meaning given to such term in Section 2.15(a).

"Extending Revolving Lender" has the meaning given to such term in Section 2.15(a).

"Extending Term Lender" has the meaning given to such term in Section 2.15(a).

"Extension" has the meaning given to such term in Section 2.15(a).

"Extension Amendment" means an amendment to this Agreement in connection with an Extension as described in Section 2.15(c).

"Extension Offer" has the meaning given to such term in Section 2.15(a).

"Facilities" means, collectively, the following facilities: (1) the Existing Term Loans, (1) the Term B Commitments and the Term B Loans, (1) Incremental Term Commitments and Incremental Term Loans of the same Class, (1) the Existing Revolving Facility, and (1) any other Class of Loans and any related Commitments.

"Facility Amendment" means an Incremental Term Facility Amendment, a Revolving Increase Supplement, a Refinancing Amendment or an Extension Amendment.

"FATCA" means Sections 1471 through 1474 of the Internal Revenue Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), and any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code, any intergovernmental agreement entered into to implement such Sections of the Internal Revenue Code, and any laws rules and practices adopted by a non-US jurisdiction to effect any such intergovernmental agreement.

"FCC" means the Federal Communications Commission, or any Governmental Authority succeeding to the functions thereof.

"FCC License" means any governmental approval or authorization issued by the FCC pursuant to the Communications Act or otherwise that authorizes a Person to transmit or receive radio waves, microwaves or other signals (whether terrestrial or otherwise).

"Federal Funds Effective Rate" means, for any day, a rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day, provided that (i) if the day for which such rate is to be determined is not a Business Day, the Federal Funds Effective Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (ii) if such rate is not so published for any day, the Federal Funds Effective Rate for such day shall be the average of the quotations for such day on such transactions received by the Administrative Agent from three Federal Funds brokers of recognized standing selected by it.

"Financial Covenant Credit Exposure" means, with respect to any Lender at any time, the sum of such Lender's Revolving Credit Exposure and Term Loans for all Financial Covenant Facilities.

"Financial Covenant Facility" means any Loan or Commitment under any Facility other than a Non-Financial Covenant Facility.

"Financial Covenant Lender" means a Lender with a Commitment, or that holds a Loan, under a Financial Covenant Facility.

"Financial Covenants" means the covenants set forth in Sections 7.16, 7.17 and 7.18.

"Financial Officer" means, with respect to any Person, the chief financial officer, principal accounting officer, treasurer, controller, senior vice president-finance or vice president-finance of such Person.

"Forecasts" has the meaning assigned to such term in Section 4.4(b).

"Foreign Lender" means any Lender that is organized under the laws of a jurisdiction other than that in which the applicable Loan Party is located. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"Fourth Restatement Closing Date" has the meaning assigned to such term in Section 5.1.

"Franchises" means all franchises and franchise applications required in connection with the Communications Business, other than FCC Licenses.

"GAAP" means generally accepted accounting principles in effect from time to time in the United States of America.

"GCI" means General Communication, Inc., an Alaska corporation.

"GCI Wireless" means GCI Wireless Holdings, LLC, an Alaska limited liability company.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Guarantee" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof; (ii) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor as to enable the primary obligor to pay such Indebtedness or other obligation or (iv) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation, provided that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guarantee of any guaranteeing person

shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee is made and (b) the maximum amount for which such guarantor may be liable pursuant to the terms of the instrument embodying such Guarantee in accordance with GAAP. The term "guarantee" or "guaranteed" as a verb has a correlative meaning thereto.

"Guarantee Supplement" means a Guarantee Supplement in the form of Exhibit I.

"Guarantors" means the Parent and the Subsidiary Guarantors.

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

"Hedging Agreement" means any interest rate protection agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price swap, cap, collar, hedging or other like arrangement.

"High Ratio Condition" means, as of any date, that either (a) the Senior Leverage Ratio exceeds 2.75:1.00, or (b) the Total Leverage Ratio exceeds 5.70:1.00.

"Incremental Amount" means, as of the date of any increase of the Revolving Commitments pursuant to Section 2.5(d) or the making of any Incremental Term Loan, (1) $200,000,000, plus (1) after the utilization of amounts provided for in clause (a), an amount which, after giving effect to such increase of the Revolving Commitments or making of such Incremental Term Loan would not cause the Senior Leverage Ratio to be more than 2.50:1.00 as of the last day of the most recently ended period of four fiscal quarters of the Borrower for which financial statements have been delivered to the Administrative Agent pursuant to Section 6.1, determined on the date of such increase in the Revolving Commitments or the making of such Incremental Term Loans, as the case may be, after giving effect to any such increase and incurrence on a pro forma basis, and, in each case, (x) excluding, for purposes of determining the Senior Leverage Ratio, the cash proceeds of any such Incremental Term Loans and the cash proceeds of any substantially contemporaneous Revolving Loan, and (y) assuming that the Revolving Commitments are fully drawn.

"Incremental Term Commitments" means commitments of one or more Incremental Term Lenders to a tranche of an Incremental Term Facility as set forth in the relevant Incremental Term Facility Amendment.

"Incremental Term Facilities" has the meaning specified in Section 2.13(a).

"Incremental Term Facility Amendment" has the meaning specified in Section 2.13(d).

"Incremental Term Lender" has the meaning specified in Section 2.13(d).

"Incremental Term Loan Maturity Date" means, with respect to any Incremental Term Loan Facility, the final maturity date applicable to the Incremental Term Loans thereunder.

"Incremental Term Loans" has the meaning specified in Section 2.13(a).

"Indebtedness" of any Person means, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (iii) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (iv) all obligations of such Person in respect of the deferred purchase price of property (excluding accounts payable incurred in the ordinary course of business), (v) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (vi) all Guarantees by such Person of Indebtedness of others, (vii) all Capital Lease Obligations of such Person, (viii) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (ix) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances, and (x) Disqualified Equity. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Indemnitee" has the meaning assigned to such term in Section 10.3(b).

"Interest Coverage Ratio" means, as of any date, the ratio of (i) Adjusted Operating Cash Flow of the Parent to (ii) Cash Interest Expense of the Parent, in each case for the most recently completed four fiscal quarters in respect of which a Compliance Certificate has been delivered in accordance with Section 6.1(c).

"Interest Election Request" means an Interest Election Request, substantially in the form of Exhibit D.

"Interest Expense" means, for any Person for any period, the interest expense (including, without limitation, the interest component of Capital Lease Obligations) of such Person and its subsidiaries during such period determined on a consolidated basis in accordance with GAAP.

"Interest Payment Date" means (1) with respect to each ABR Loan, the last day of each March, June, September and December, (1) with respect to each Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Loan with an Interest Period of more than three months duration, each day prior to the last day of such Interest Period that occurs at intervals of three months duration after the first day of such Interest Period, (1) with respect to each Existing Facility Loan, the Existing Facility Maturity

Date, (1) with respect to each Term B Loan, the Term B Maturity Date, and (1) with respect to each Swingline Loan, the day that such Swingline Loan is required to be repaid pursuant to Section 2.6(a), and (vi) with respect to each Incremental Term Loan, Refinancing Revolving Loan, Refinancing Term Loan, Extended Revolving Loan and Extended Term Loan, the Maturity Date with respect to such Loan.

"Interest Period" means, with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending one month, two months, three months or six months thereafter, as the Borrower may elect, or such other period as each Lender affected thereby may agree in each such Lender's sole discretion, provided that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day, unless, in the case of any Interest Period of at least one month, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, and (ii) any Interest Period of at least one month that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"Interest Rate Derivative" means any interest rate swap, cap or collar agreement.

"Investments" has the meaning assigned to such term in Section 7.4.

"IRU" shall mean any agreement whereby one Person grants the exclusive and irrevocable right to use conduit, dark fiber, lit fiber (including associated electronic and/or optical components) or other telecommunications network facilities owned by such Person to another Person for such other Person's own network use, but not the right to physical possession and control of such facilities, and without regard to whether such agreement should be characterized as a lease or as a conveyance of an ownership interest.

"Issuing Bank" means Credit Agricole CIB, in its capacity as the issuer of Letters of Credit.

"LC Disbursement" means a payment made by the Issuing Bank pursuant to a Letter of Credit.

"LC Exposure" means, at any time, the sum, without duplication, of (i) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (ii) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time. The LC Exposure of any Lender at any time shall be its Applicable Percentage of the total LC Exposure at such time.

"LC Termination Date" means the Existing Facility Maturity Date, unless extended pursuant to a Facility Amendment signed by the Issuing Bank.

"Latest Maturity Date" shall mean, at any date of determination, the latest maturity date applicable to any Term Loan hereunder at such time, including the latest maturity date of any Existing Term Loan, any Term B Loan, any Incremental Term Loan, or any Refinancing Term Loan, in each case as extended in accordance with this Agreement from time to time.

"Lenders" means the Persons listed on Schedule 1.1A and any other Person that shall have become a party hereto pursuant to the terms and provisions of Section 10.4, pursuant to an Assignment and Acceptance or pursuant to a Facility Amendment, other than any such Person that ceases to be a party hereto pursuant to the terms and provisions of Section 10.4 pursuant to an Assignment and Acceptance or upon payment in full of such Lender's Loans and all other sums owing to such Lender under the Loan Documents (whether or not then due) and the termination of such Lender's Commitments. Unless the context otherwise requires, the term "Lenders" includes the Swingline Lender.

"Letter of Credit" means (i) any letter of credit (and any successive renewals thereof) issued pursuant to this Agreement and (ii) any Existing Letter of Credit.

"LIBO Floor" means 1.00%.

"LIBO Rate" means, with respect to any Eurodollar Borrowing for any Interest Period, the rate appearing on the Reuters "LIBOR01" screen displaying interest rates for Dollar deposits in the London interbank market (or on any successor or substitute page on such screen) at approximately 11:00 a.m., London time two Business Days prior to the commencement of such Interest Period, as the rate for Dollar deposits in the London interbank market with a maturity comparable to such Interest Period, provided that in the event such rate does not appear on such screen (or on any successor or substitute page on such screen or otherwise on such screen), the "LIBO Rate" with respect to such Eurodollar Borrowing during such Interest Period shall be determined by reference to such other comparable publicly available service for displaying interest rates applicable to Dollar deposits in the London interbank market as may be selected by the Administrative Agent, provided further that in the absence of such availability, the "LIBO Rate" shall be determined by reference to the rate at which Dollar deposits of $1,000,000 in immediately available funds for a maturity comparable to such Interest Period are offered by the principal office of the Administrative Agent to leading banks in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, provided further that in the event the principal office of the Administrative Agent is not making such offers, "LIBO Rate" shall mean such other rate reflecting the Lenders' cost of funds as determined by the Administrative Agent using any reasonable or prevailing method.

"Lien" means, with respect to any asset, (i) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (ii) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement relating to such asset and (iii) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"Loan Documents" means this Agreement, the Notes, the documentation in respect of each Letter of Credit, each Facility Amendment and the Security Documents.

"Loan Parties" means the Borrower, the Parent and the Subsidiary Guarantors.

"Loans" means the loans made by the Lenders to the Borrower pursuant to this Agreement.

"Majority A Lenders " means, at any time, Lenders having Revolving Commitments under the Existing Revolving Facility and outstanding Existing Term Loans representing greater than 50% of the sum of the aggregate Revolving Commitments under the Existing Revolving Facility and outstanding Existing Term Loans of all Lenders.

"Majority Facility Lenders" means, with respect to (1) the Existing Term Loans, the holders of more than 50% of the aggregate unpaid principal amount of the Existing Term Loans, (1) the Term B Commitments and the Term B Loans, the holders of more than 50% of the aggregate unpaid principal amount of the Term B Loans, (1) the Incremental Term Commitments and Incremental Term Loans of the same Class, the holders of more than 50% of the aggregate unpaid principal amount of the Incremental Term Loans of such Class, (1) the Revolving Commitments and the Revolving Loans of the same Class, the holders of more than 50% of the aggregate Revolving Commitments of such Class, and (1) any other Class of Term Loans, the holders of more than 50% of the aggregate unpaid principal amount of the Term Loans of such Class.

"Margin Stock" has the meaning assigned to such term in Regulation U.

"Material Adverse Effect" means a material adverse effect on (i) the business, assets, properties, operations, or financial condition of the Borrower and the Subsidiaries (other than NMTC Subsidiaries), taken as a whole, or (ii) the rights of, or remedies available to, any Credit Party, under the Loan Documents.

"Material Obligations" means Indebtedness (other than Indebtedness under the Loan Documents) of any one or more of the Parent, the Borrower or any Subsidiary in an aggregate principal amount exceeding $50,000,000. For purposes of determining Material Obligations, the "principal amount" of the obligations of any Person in respect of any Hedging Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) such Person would be required to pay if such Hedging Agreement were terminated at such time.

"Materials" has the meaning assigned to such term in Section 10.1.

"Maturity Date" means (1) with respect to the Existing Term Loans, the Existing Facility Maturity Date, (1) with respect to the Term B Loans, the Term B Maturity Date, (1) with respect to any Class of Incremental Term Loans, the Incremental Term Loan Maturity Date applicable to such Class, (1) with respect to the Revolving Commitments under the Existing Revolving Facility, the Existing Facility Maturity Date, (1) with respect to any Class of Extended Term Loans or Extended Revolving Commitments, the final maturity date as specified in the applicable Extension Amendment, and (1) with respect to any Class of Refinancing Term Loans or Refinancing Revolving Commitments, the final maturity date as specified in the applicable Refinancing Amendment.

"Minimum Extension Condition" has the meaning given to such term in Section 2.15(b).

"Moody's" means Moody's Investors Service, Inc.

"Mortgages" means the mortgages, deeds of trust, assignments of leases and rents and other security documents (if any) delivered pursuant to this Agreement with respect to Real Property, each in form and substance reasonably satisfactory to the Administrative Agent.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA, and to which the Borrower or an ERISA Affiliate is making, is obligated to make or has made or been obligated to make, contributions on behalf of participants who are or were employed by any of them.

"Net Income" means, with respect to any Person for any period, the net income of such Person and its subsidiaries during such period determined on a consolidated basis in accordance with GAAP (without deduction for minority interests).

"Net Proceeds" shall mean (X) with respect to any sale or other disposition of assets or any casualty event or condemnation, the aggregate amount of cash received by the Borrower or any Subsidiary Guarantor, including, (a) any cash received in respect of any non-cash proceeds, but only as and when received, (b) in the case of a casualty, insurance proceeds, and (c) in the case of a condemnation or similar event, condemnation awards and similar payments, net of (i) amounts reserved, if any, for taxes payable with respect to the transaction, (ii) transaction fees, commissions, discounts, costs and out-of-pocket expenses properly attributable to the transaction, (iii) the principal amount of any Indebtedness (other than the Loans) that is secured by assets subject to the transaction and that is repaid in connection therewith, and (iv) any reserve for adjustments in respect to the transaction established in accordance with GAAP, and (Y) in connection with any incurrence of Indebtedness, the cash proceeds received from such incurrence, net of attorneys' fees, investment banking fees, accountants' fees, underwriting discounts and commissions and other customary fees and expenses actually incurred in connection therewith.

"New Excluded Subsidiary" has the meaning assigned to such term in Section 6.11.

"New Included Subsidiary" has the meaning assigned to such term in Section 6.11.

"New Subsidiary" has the meaning assigned to such term in Section 6.11.

"NMTC Subsidiaries" means Terra GCI Investment Fund, LLC, a Missouri limited liability company, Terra GCI 2 Investment Fund, LLC, a Missouri limited liability company, Terra GCI 2-USB Investment Fund, LLC, a Missouri limited liability company, Terra GCI 3 Investment Fund, LLC, a Missouri limited liability company, each investment fund that becomes a Subsidiary after the Third Restatement Closing Date in connection with a Permitted NMTC Transaction, and each subsidiary of each of the foregoing that is a Subsidiary.

"Non-Consenting Lender" has the meaning assigned to such term in Section 10.2(c).

"Non-Financial Covenant Facility" means (a) the Term B Loans, and (b) any Loan or Commitment under any other Facility that, pursuant to its Facility Amendment, does not contain the Financial Covenants, provided that any such Facility (including the Term B Loans) that is amended to contain the Financial Covenants shall cease to be a Non-Financial Covenant Facility on the date that such amendment becomes effective and such Facility becomes subject to the Financial Covenants.

"Non-Financial Covenant Lender" means a Lender with a Commitment, or that holds a Loan, under a Non-Financial Covenant Facility.

"Non-US Lender" has the meaning assigned to such term in Section 3.7(f).

"Notes" means, to the extent issued pursuant to Section 2.8(d), promissory notes evidencing the Loans substantially in the form of (1) Exhibit B-1, in the case of any Revolving Loan, (1) Exhibit B-2, in the case of any Existing Term Loan, (1) Exhibit B-3, in the case of any Swingline Loan, (1) Exhibit B-4 in the case of any Term B Loan, or (1) the appropriate exhibit attached to the relevant Facility Amendment.

"Obligations" has the meaning assigned to such term in the Security Agreement.

"OFAC" means the Office of Foreign Assets Control of the U.S. Department of Treasury.

"One Month LIBO Rate" means as of any date, the rate appearing on the Reuters "LIBOR01" screen displaying interest rates for Dollar deposits in the London interbank market (or on any successor or substitute page on such screen) at approximately 11:00 a.m., London time two Business Days prior to such date, as the rate for one month Dollar deposits in the London interbank market, provided that in the event such rate does not appear on such screen (or on any successor or substitute page on such screen or otherwise on such screen), the "One Month LIBO Rate" shall be determined by reference to such other comparable publicly available service for displaying one month interest rates applicable to Dollar deposits in the London interbank market as may be selected by the Administrative Agent, provided further that in the absence of such availability, the "One Month LIBO Rate" shall be determined by reference to the rate at which one month Dollar deposits of $1,000,000 in immediately available funds are offered by the principal office of the Administrative Agent to leading banks in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to such date, provided further that in the event the principal office of the Administrative Agent is not making such offers, "One Month LIBO Rate" shall mean such other rate reflecting the Lenders' cost of funds as reasonably determined by the Administrative Agent using any reasonable or prevailing method.

"Operating Cash Flow" means, for any Person for any period, (a) Net Income of such Person for such period, plus (b) without duplication and to the extent deducted in determining such Net Income, the sum of (i) Interest Expense for such period, (ii) provision for income taxes

for such period, (iii) the aggregate amount attributable to depreciation and amortization for such period, (iv) the aggregate amount of other non-cash charges for such period, (v) the aggregate amount of all non-cash compensation paid to directors, officers and employees, and (vi) the aggregate amount of extraordinary or non-recurring charges during such period, minus (c) without duplication and to the extent added in determining such Net Income, the aggregate amount of extraordinary, non-operating and non-recurring additions to income during such period (including IRUs that do not provide for periodic payments to be made at least semi-annually during the term of such transaction in proportion to the availability of capacity).

"Other Refinancing Condition" means, in connection with any issuance of Other Replacement Debt in respect of any of the Senior Notes, the following condition shall be required to be satisfied substantially simultaneously with the incurrence of such Other Replacement Debt: such Senior Notes shall have been (a) paid in full, (b) defeased in accordance with the terms of the indenture for such Senior Notes, (c) called for redemption in accordance with the indenture for such Senior Notes and an amount (in the form required, if any) as shall be sufficient to pay the entire principal of, premium, if any, and interest on such Senior Notes on the applicable redemption date (the "Segregated Funds") shall have been (i) irrevocably deposited with the trustee for such Senior Notes, in trust, for the benefit of the holders of the Senior Notes, (ii) irrevocably deposited into an escrow with the Administrative Agent or its designee, such escrow to be on terms and conditions reasonably satisfactory to the Administrative Agent, such escrowed amounts to be used only for the purpose of paying the principal of, premium, if any, and interest on such Senior Notes on the applicable redemption date, or (iii) any combination of clauses (i) and (ii) immediately above, or (d) any combination of clauses (a), (b) or (c) immediately above.

"Other Refinancing Indebtedness" means, with respect to any Indebtedness, any other Indebtedness that renews, refinances or replaces such Indebtedness; provided that (1) the only obligors under such renewal, refinancing or replacement Indebtedness are Persons that were obligors under the Indebtedness being renewed, refinanced or replaced, (2) if the Indebtedness being renewed, refinanced or replaced is subordinated in right of payment to the Obligations, such renewal, refinancing or replacement Indebtedness shall be subordinated in right of payment to the Obligations on terms at least as favorable to the Lenders as those contained in the documentation governing the Indebtedness being renewed, refinanced or replaced, (3) such renewal, refinancing or replacement shall not increase the principal amount of such Indebtedness (other than with respect to any accrued interest, premiums, fees or expenses payable in connection with such renewal, refinancing or replacement, and any original issue discount in connection therewith, provided that the aggregate sum of all such accrued interest, premiums, fees, expenses and original issue discount shall not exceed in the aggregate an amount equal to 10% of the Indebtedness being renewed, refinanced or replaced), (4) such renewal, refinancing or replacement Indebtedness has a final stated maturity date equal to or later than the final stated maturity date of the Indebtedness being renewed, refinanced or replaced and (5) such renewal, refinancing or replacement Indebtedness has a Weighted Average Life to Maturity equal to or longer than the Weighted Average Life to Maturity of the Indebtedness being renewed, refinanced or replaced.

"Other Replacement Debt" means senior unsecured debt of the Parent that meets the following criteria: (i) such debt constitutes Other Refinancing Indebtedness, (ii) such debt does not

require any payment or prepayment (including without limitation any sinking fund or similar payment) of principal prior to the Permitted Debt Maturity Date other than pursuant to mandatory prepayment requirements not materially more restrictive than those applicable to the Senior Notes, with such changes thereto as shall be reasonably acceptable to the Administrative Agent, and (iii) the affirmative covenants, negative covenants and events of default applicable thereto shall not be materially more restrictive in substance, when taken as a whole, than those applicable to the Indebtedness being refinanced, unless reasonably acceptable to the Administrative Agent.

"Other Taxes" means any and all current or future stamp or documentary Taxes or any other excise or property Taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, the Loan Documents.

"Parent" means GCI, Inc., an Alaska Corporation.

"Participant" has the meaning assigned to such term in Section 10.4(d).

"Patriot Act" has the meaning assigned to such term in Section 10.13.

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Permitted Cash" means, as of any date, cash and Cash Equivalents of the Borrower and the Subsidiary Guarantors to the extent (1) not in excess of $50,000,000, and (1) subject to no Lien other than Permitted Encumbrances within the meaning of clauses (a), (e) and/or (i) of such defined term and/or any Lien permitted pursuant to Section 7.2(a).

"Permitted Debt Maturity Date" means the date that is 180 days after the Latest Maturity Date.

"Permitted Encumbrances" means:

(a) Liens imposed by law for Taxes that are not yet due or are being contested in compliance with Section 6.4;

(b) landlords', vendors', carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 60 days or are being contested in compliance with Section 6.4;

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations;

(d) pledges and deposits to secure the performance of bids, government, trade and other similar contracts (other than contracts for the payment of money), leases, subleases, statutory obligations and surety, stay, appeal, indemnity, performance or other similar bonds or obligations and other obligations of a like nature, and deposits or pledges in lieu of such bonds or

obligations, or to secure such bonds or obligations, or to secure letters of credit in lieu of or supporting the payment of such bonds or obligations, in each case in the ordinary course of business;

(e) judgment and attachment liens in respect of judgments that do not constitute an Event of Default under clause (k) of Article 8;

(f) easements, zoning restrictions, rights-of-way and similar encumbrances on, and other imperfections of title with respect to, real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or materially interfere with the ordinary conduct of business of the Borrower and the Subsidiaries;

(g) Liens on the assets of any Subsidiary Guarantor in favor of the Borrower or any other Subsidiary Guarantor, Liens on assets of the Borrower in favor of any Subsidiary Guarantor, and Liens on assets of any Excluded Subsidiary in favor of any other Excluded Subsidiary;

(h) Liens on Margin Stock to the extent that a prohibition on such Liens would violate Regulation U;

(i) Liens in favor of collecting or payor banks or securities intermediaries having a right of setoff, revocation, refund or chargeback with respect to money or instruments of the Parent, the Borrower or any Subsidiary on deposit with or in possession of such bank or in a security account of such security intermediary, or arising under or pursuant to general banking conditions;

(j) Liens representing any interest or title of a licensor, lessor or sublicensor or sublessor, or a licensee, lessee or sublicensee or sublessee, in the property subject to any lease, license or sublicense or concession agreement permitted by this Agreement;

(k) Liens arising from precautionary Uniform Commercial Code financing statements regarding operating leases;

(l) (i) receipt of progress payments and advances from customers in the ordinary course of business to the extent the same creates a Lien on the related inventory and proceeds thereof and (ii) Liens relating to purchase orders and other agreements entered into with customers or suppliers of the Borrower or any Subsidiary in the ordinary course of business;

(m) Liens solely on any cash earnest money deposits made by the Borrower or any Subsidiary in connection with an Investment permitted by Section 7.4;

(n) Liens deemed to exist in connection with Investments permitted by Section 7.4(a) that constitute repurchase obligations;

(o) (i) deposits securing liability to insurance carriers under insurance or self-insurance arrangements in respect of such obligations and (ii) pledges and deposits securing liability for reimbursement or indemnification obligations of (including obligations in respect of letters of

credit or bank guarantees for the benefit of) insurance carriers providing property, casualty, liability, director and officer or other insurance to the Parent, the Borrower or any Subsidiary;

(p) Liens securing obligations (other than obligations representing Indebtedness for money borrowed) under reciprocal easement or similar agreements entered into in the ordinary course of business of the Parent, the Borrower or any Subsidiary;

(q) Liens arising out of conditional sale, title retention, consignment or similar arrangements entered into by the Parent, the Borrower or any Subsidiary in the ordinary course of business; and

(r) statutory Liens on the CoBank Equities in favor of CoBank.

"Permitted Holders" means (i) Ronald Duncan and his estate, spouse, ancestors, lineal descendants and the trustee of any bona fide trust of which the foregoing are the sole beneficiaries and (ii) the General Communication, Inc. Employee Stock Purchase Plan.

"Permitted NMTC Debt" means Indebtedness incurred pursuant to Section 7.1(h).

"Permitted NMTC Transactions" means (a) the New Markets Tax Credit transactions consummated by GCI and its subsidiaries prior to the Third Restatement Closing Date (the *"Existing NMTC Transactions"*) and (b) additional New Markets Tax Credit transactions consummated after the Third Restatement Closing Date on terms and conditions substantially similar to those relating to the Existing NMTC Transactions (except that all debt owed by the relevant investment funds thereunder shall be payable to the Borrower or a Subsidiary Guarantor, the Borrower or such Subsidiary Guarantor, as the case may be, may guarantee or indemnify tax indemnification obligations of the project borrower and Excluded Subsidiaries may invest in such transactions) or otherwise reasonably acceptable to the Administrative Agent.

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

"Plan" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Platform" shall mean Intralinks or another similar electronic system**.**

"Pledge Agreement" means the Second Amended and Restated Pledge Agreement, dated as of the Third Restatement Closing Date, between the Parent and the Administrative Agent, for the benefit of the Secured Parties.

"Prime Rate" means the rate of interest per annum publicly announced from time to time by Credit Agricole CIB as its prime commercial lending rate at its principal office in New York City; each change in the Prime Rate being effective from and including the date such change is

publicly announced as being effective. The Prime Rate is not intended to be lowest rate of interest charged by Credit Agricole CIB in connection with extensions of credit to borrowers.

"Proposed Change" has the meaning assigned to such term in Section 10.2(c).

"Public Lender" shall have the meaning assigned to such term in Section 10.1.

"Qualified ECP Guarantor" means, in respect of any Swap Obligation, each Loan Party that has total assets exceeding $10,000,000 at the time the relevant Guarantee or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other Loan Party as constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another Person to qualify as an "eligible contract participant" at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"Real Estate Collateral Requirement" means the requirement that, with respect to each owned Real Property required to be subject to a Mortgage hereunder, the Administrative Agent shall have received (each in form and substance satisfactory to the Administrative Agent):

(a) a Mortgage duly executed and delivered by the relevant Loan Party that is the record owner of such Real Property, in form for recording in the recording office of the jurisdiction where such Real Property to be encumbered thereby is situated, in favor of the Administrative Agent for the benefit of the Secured Parties (in such number of copies as the Administrative Agent shall have requested), together with such other instruments as shall be necessary or appropriate (in the reasonable judgment of the Administrative Agent) to create a Lien under applicable law, all of which shall be in form and substance reasonably satisfactory to Administrative Agent, which Mortgage and other instruments shall be effective to create and/or maintain a Lien on such Real Property, subject to no Liens other than Liens permitted under Section 7.2 applicable to such Real Property;

(b) to the extent that Lenders would be required by federal law and regulations regarding flood insurance (including the National Flood Insurance Reform Act of 1994) to obtain the same in connection with obtaining such Mortgage: (i) a 'life of loan' flood hazard determination, and (ii) as applicable, evidence of flood insurance and an acknowledged borrower notice, for such Real Property;

(c) a fully paid policy of title insurance (or marked binding pro forma having the same effect of a title insurance policy) in the form reasonably approved by the Administrative Agent insuring the Lien of the Mortgage encumbering such Real Property as a valid Lien (subject to this clause (c)) on such Real Property and fixtures described therein, which policy of title insurance (or marked binding pro forma having the same effect of a title insurance policy) shall be in an amount reasonably satisfactory to the Administrative Agent and shall (i) be issued by a title insurance company selected by the Borrower and reasonably satisfactory to the Administrative Agent, (ii) include such coinsurance and reinsurance arrangements (with provisions for direct access) as shall be reasonably acceptable to the Administrative Agent, (iii) have been supplemented by such endorsements or affirmative insurance, if available, as shall be reasonably requested by the

Administrative Agent, and (iv) contain no exceptions to title other than exceptions for Liens permitted under Section 7.2 and other exceptions reasonably acceptable to the Administrative Agent;

(d) evidence reasonably acceptable to the Administrative Agent of payment by the Borrower of all title insurance premiums, search and examination charges, mortgage, filing and recording taxes, fees and related charges required for the recording of such Mortgage;

(e) if the Administrative Agent or Lenders holding more than 50% of the Total Credit Exposure of all Lenders of all Classes that are beneficiaries of such Real Property Collateral, taken as a whole, reasonably determine that they are required by law or regulation to have appraisals prepared in respect of any such Real Property, the Borrower will cooperate with the Administrative Agent in obtaining appraisals which satisfy the applicable requirements of the Real Estate Appraisal Reform Amendments of the Financial Institution Reform, Recovery and Enforcement Act of 1989, as amended, or any other law or regulation and which shall otherwise be in form and substance reasonably satisfactory to the Administrative Agent, and the Borrower shall pay all reasonable fees and expenses incurred by the Administrative Agent in connection therewith;

(f) all such other documents, instruments or items (including UCC fixture filings) as shall be reasonably necessary in the opinion of the Administrative Agent (or its counsel) to create a valid and perfected mortgage Lien on such Real Property subject only to Liens permitted under Section 7.2, including such affidavits and instruments of indemnifications by the Borrower and the relevant Subsidiary as shall be reasonably required to induce such title company to issue the policy or policies (or commitment) and endorsements contemplated in clause (c) above; and

(g) customary opinions (addressed to the Administrative Agent and the Lenders) of local counsel for the relevant Loan Party (i) in the state in which such Real Property is located, with respect to the enforceability and perfection of the Mortgage covering such Real Property and any related fixture filings in form and substance reasonably satisfactory to the Administrative Agent and (ii) if requested by the Administrative Agent, in the state in which such Loan Party is organized and formed, with respect to, among other matters, the valid existence, corporate power and authority of such Loan Party in the granting of such Mortgage.

"Real Property" means, collectively, all right, title and interest of the Borrower or any Subsidiary in and to any and all parcels of real property owned by the Borrower or any Subsidiary together with all improvements and appurtenant fixtures, easements and other property and rights incidental to the ownership, lease or operation thereof.

"Refinanced Debt" has the meaning set forth in the defined term Credit Agreement Refinancing Debt.

"Refinancing Amendment" shall mean an amendment to this Agreement executed by each of (a) the Borrower, (b) the Administrative Agent, and (c) each Additional Refinancing Lender thereunder.

"Refinancing Revolving Commitments" shall mean one or more Classes of revolving credit commitments hereunder that result from a Refinancing Amendment.

"Refinancing Revolving Loans" shall mean one or more revolving loans hereunder that result from a Refinancing Amendment.

"Refinancing Series" shall mean all Refinancing Revolving Commitments, Refinancing Term Loans or Refinancing Term Commitments that are established pursuant to the same Refinancing Amendment (or any subsequent Refinancing Amendment to the extent such Refinancing Amendment expressly provides that the Refinancing Revolving Commitments, Refinancing Term Loans or Refinancing Term Commitments provided for therein are intended to be a part of any previously established Refinancing Series) and that provide for the same effective yield and amortization schedule.

"Refinancing Term Commitments" shall mean one or more term loan commitments hereunder that fund Refinancing Term Loans of the same Class pursuant to a Refinancing Amendment.

"Refinancing Term Loans" shall mean one or more term loans hereunder that result from a Refinancing Amendment.

"Register" has the meaning assigned to such term in Section 10.4(c).

"Regulation T" means Regulation T of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Regulation U" means Regulation U of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Regulation X" means Regulation X of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

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

"Required Lenders" means, at any time, Lenders having Total Credit Exposures representing greater than 50% of the sum of the aggregate Total Credit Exposures of all Lenders. Notwithstanding anything to the contrary herein contained, each Non-Financial Covenant Lender, solely in its capacity as a Non-Financial Covenant Lender, with respect to any matter requiring the vote of Lenders pursuant to the exercise of any remedy under the last paragraph of Article 8 arising from an Event of Default under any Financial Covenant, shall, automatically and without further action on the part of such Non-Financial Covenant Lender, the Borrower or the Administrative Agent, be deemed to have voted its Total Credit Exposure (other than its Financial Covenant Credit Exposure), and each such Non-Financial Covenant Lender irrevocably instructs the Borrower, each other Lender and the Administrative Agent to treat as voted, in the same proportion as the allocation of voting with respect to such matter by Financial Covenant Lenders (other than in their capacity as Non-Financial Covenant Lenders) so long as such Non-Financial Covenant Lender is treated in connection with the exercise of such right or taking of such action on the same basis as, and in a

manner no less favorable to such Non-Financial Covenant Lender than, the Financial Covenant Lenders.

"Required Revolving Lenders" means, at any time, Lenders having Total Revolving Credit Exposures representing greater than 50% of the sum of the aggregate Total Revolving Credit Exposures of all Lenders.

"Responsible Officer" means, with respect to any Person, any of the chief executive officer, president, chief financial officer (or similar title) or treasurer (or similar title) of such Person.

"Restricted Payment" means, as to any Person, (i) any dividend or other distribution by such Person (whether in cash, securities or other property) with respect to any Equity Interest issued by such Person, (ii) any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, by such Person on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interest or any option, warrant or other right to acquire any such Equity Interest, (iii) any payment of any management, consulting, administrative or other similar fee by such Person to any Affiliate thereof to the extent that such fee is in excess of the amount that such Person could have obtained for similar service on an "arm's length" basis from an unrelated third party, and (iv) any payment of principal or interest or any purchase, redemption, retirement, acquisition or defeasance of or with respect to any Indebtedness of any Affiliate of such Person.

"Revolving Availability Period" means (1) for the Existing Revolving Facility, the period from and including the Fourth Restatement Closing Date to but excluding the earlier of the Existing Facility Maturity Date and the date of termination of the Revolving Commitments therefor, and (1) with respect to Refinancing Revolving Loans and Extended Revolving Loans, as set forth in the applicable Facility Amendment or such earlier date that the Revolving Commitments therefor are terminated.

"Revolving Commitment" means, with respect to each Lender having a Revolving Commitment under a Facility, the commitment of such Lender to make or maintain Revolving Loans and to acquire participations in Letters of Credit and Swingline Loans thereunder in an aggregate outstanding amount not exceeding the amount of such Lender's Revolving Commitment as set forth, with respect to the Existing Revolving Facility, on Schedule 1.1A, in the Facility Amendments executed and delivered by such Lender, the Borrower and the Administrative Agent, and in each Assignment and Acceptance pursuant to which such Lender shall have assumed such Revolving Commitment, as applicable, as such commitment may be reduced or increased from time to time pursuant to Section 2.5, pursuant to assignments by or to such Lender pursuant to Section 10.4 or upon the expiration thereof. The amount of each Lender's Revolving Commitment under the Existing Revolving Facility on the Fourth Restatement Closing Date is set forth on such Schedule 1.1A. The aggregate amount of the Revolving Commitments under the Existing Revolving Facility on the Fourth Restatement Closing Date is $150,000,000.

"Revolving Credit Exposure" means, with respect to any Lender at any time, the sum of the aggregate outstanding principal amount of such Lender's Revolving Loans plus its LC Exposure and Swingline Exposure at such time.

"Revolving Increase Supplement" means an increase supplement in substantially the form of Exhibit J.

"Revolving Lender" means a Lender with a Revolving Commitment.

"Revolving Loan" means (1) an Existing Revolving Loan, and (1) a Loan referred to in Section 2.1(a) and made pursuant to Section 2.4.

"S&P" means Standard & Poor's Financial Services, LLC.

"Sanctioned Country" means, at any time, a country or territory which is itself the subject or target of any Sanctions (including, at the time of this Agreement, Cuba, Iran, North Korea, Sudan and Syria).

"Sanctioned Person" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC, the U.S. Department of State, the United Nations Security Council, the European Union or any EU member state, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person or Persons.

"Sanctions" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State or (b) the United Nations Security Council, the European Union or Her Majesty's Treasury of the United Kingdom.

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

"Secured Parties" means the "Secured Parties" as defined in the Security Agreement.

"Security Agreement" means the Second Amended and Restated Security Agreement, dated as of the Third Restatement Closing Date, among the Borrower, the Subsidiary Guarantors and the Administrative Agent, for the benefit of the Secured Parties.

"Security Documents" means (a) the Security Agreement, (b) the Pledge Agreement, and (c) each other security agreement, instrument or other document executed or delivered pursuant to this Agreement or any agreement referred to in clauses (a) or (b) above to secure any of the Obligations.

"Segregated Funds" has the meaning set forth in the defined term Other Refinancing Condition.

"Senior Debt" means, as of any date, (1) the aggregate principal amount of all Indebtedness of the Borrower and the Subsidiaries that would be reflected as liabilities on a consolidated balance sheet of the Borrower and the Subsidiaries as of such date prepared in accordance with GAAP, minus (1) Permitted NMTC Debt to the extent included therein, minus (1) Permitted Cash.

"Senior Leverage Ratio" means, as of any date, the ratio of (i) Senior Debt on such date to (ii) Adjusted Operating Cash Flow of the Borrower for the most recently completed four fiscal quarters in respect of which a Compliance Certificate has been delivered in accordance with Section 6.1(c).

"Senior Notes" means the 8 5/8% Senior Notes due 2019 of the Parent and the 6 ¾% Senior Notes due 2021 of the Parent (the "2021 Senior Notes").

"Significant Transaction" means each of the following, regardless of whether any requirement under Section 6.1(e) with respect thereto shall have been satisfied (other than transactions by NMTC Subsidiaries (and not involving the Parent or any of its subsidiaries) to the extent not reasonably expected to result in a Material Adverse Effect):

(a) any transaction referred to in Section 7.3(a)(i),

(b) any transaction referred to in Section 7.3(a)(iii) which is not otherwise permitted by Section 7.3,

(c) any Acquisition by the Parent or any of its subsidiaries other than from the Parent or any of its subsidiaries for which the aggregate consideration payable by the Parent and its subsidiaries is in excess of $100,000,000,

(d) any transaction (i) referred to in Section 7.5(e) which is not otherwise permitted by Section 7.5, and (ii) for which the aggregate consideration payable by the Borrower and the Subsidiaries is in excess of $50,000,000, or

(e) any sale, transfer, lease or other disposition of assets by the Parent or any of its subsidiaries other than to the Parent or any of its subsidiaries for which the aggregate fair market value of the property of the Parent and its subsidiaries subject thereto is in excess of $100,000,000.

"State Law" means any state law pertaining to or regulating intrastate and local telecommunications services, or any successor statute or statutes thereto, and all State Regulations pursuant to such State Law.

"State PUC" means any state public utility commission or any other state commission, agency, department board or authority with responsibility for regulating intrastate and local telecommunications services.

"State Regulations" means all rules, regulations, written policies, orders and decisions of any State PUC.

"subsidiary" means, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity of which securities or other ownership interests representing more than 50% of the equity or more than 50%

of the ordinary voting power is or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held by the parent or one or more subsidiaries of the parent.

"Subsidiary" means any subsidiary of the Borrower.

"Subsidiary Guarantor" means any Subsidiary that is a party to this Agreement and executes and delivers the applicable Security Documents.

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

"Swingline Exposure" means, at any time, the aggregate principal amount of all Swingline Loans outstanding at such time. The Swingline Exposure of any Lender at any time shall be its Applicable Percentage of the total principal amount of Swingline Loans outstanding at such time.

"Swingline Interest Period" means, subject to the provisions of Section 2.6(a), with respect to any Swingline Loan requested by the Borrower, the period commencing on the date of Borrowing with respect to such Swingline Loan and ending not in excess of ten days thereafter, as selected by the Borrower in its irrevocable Borrowing Request, provided, however, that (i) if any Swingline Interest Period would otherwise end on a day that is not a Business Day, such Swingline Interest Period shall be extended to the next succeeding Business Day, and (ii) the Borrower shall select Swingline Interest Periods so as not to have more than three different Swingline Interest Periods outstanding at any one time.

"Swingline Lender" means Credit Agricole CIB, in its capacity as lender of Swingline Loans hereunder.

"Swingline Loan" means a Loan made pursuant to Section 2.10.

"Swingline Termination Date" means the Existing Facility Maturity Date, unless extended pursuant to a Facility Amendment signed by the Swingline Lender.

"Syndication Agent" means MUFG Union Bank, N.A. and Suntrust Bank, each in its capacity as a co-syndication agent hereunder.

"Taxes" means any and all current or future taxes, levies, imposts, duties, deductions, charges or withholdings now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority including any interest, additions to, tax or penalties applicable thereto.

"Term B Loan Commitment" means, with respect to each Lender, the commitment, if any, of such Lender to make a Term B Loan on the Fourth Restatement Closing Date in an aggregate outstanding amount not exceeding the amount of such Lender's Term B Loan Commitment as set forth on Schedule 1.1A. The amount of each Lender's Term B Loan Commitment on the Fourth

Restatement Closing Date is set forth on such Schedule 1.1A. The aggregate amount of the Term B Loan Commitment on the Fourth Restatement Closing Date is $275,000,000.

"Term B Lender" means a Lender with a Term B Loan Commitment or that holds a Term B Loan.

"Term B Loan" means a Loan referred to in Section 2.1(f) and made on the Fourth Restatement Closing Date.

"Term B Loan Refinancing" means (1) any optional prepayment or refinancing, in whole or in part, of the Term B Loans with the proceeds of any other term loans, including any Incremental Term Loans or new or additional term loans under this Agreement, whether incurred directly or by way of the conversion of Term B Loans into a new Class of replacement term loans under this Agreement, having an Effective Yield that is lower than the Effective Yield of the Term B Loans, other than in connection with a Permitted Refinancing Transaction, (b) any amendment to this Agreement that reduces the Effective Yield of the Term B Loans, other than in connection with a Permitted Refinancing Transaction, or (c) any mandatory prepayment of Term B Loans made pursuant to Section 2.7(e). For purposes hereof, "Permitted Refinancing Transaction" means a transaction that involves (1) a Change in Control, (1) an initial public offering of securities by the Borrower or the Parent, or (1) an increase to the Revolving Commitments pursuant to Section 2.5(d) or the incurrence of an Incremental Term Loan, in either case in connection with an Acquisition permitted by Section 7.5 or an Acquisition that is not permitted by the terms of this Agreement.

"Term B Loan Repricing Transaction" means any Term B Loan Refinancing (1) that occurs prior to the sixth month anniversary of the Fourth Restatement Closing Date, and (1) the primary purpose of which shall be to lower the Effective Yield of the Term B Loan. Any determination by the Administrative Agent with respect to whether a Term B Loan Repricing Transaction shall have occurred shall be conclusive and binding on all Lenders holding Term B Loans.

"Term B Maturity Date" means the earlier to occur of (1) the date that is the seventh anniversary of the Fourth Restatement Closing Date and (1) if the 2021 Senior Notes are not refinanced or repaid in full prior to the date that is 180 days prior to the stated maturity date of the 2021 Senior Notes, such date.

"Term Loan" means an Existing Term Loan, a Term B Loan, an Incremental Term Loan, a Refinancing Term Loan or an Extended Term Loan.

"Third Restatement Closing Date" means April 30, 2013.

"Total Credit Exposure" means, with respect to any Lender at any time, the sum of such Lender's Revolving Credit Exposure, unused Commitments and outstanding Term Loans.

"Total Debt" means, (1) as of any date, the aggregate principal amount of all Indebtedness of the Parent and its subsidiaries that would be reflected as liabilities on a consolidated balance sheet of the Parent and its subsidiaries as of such date prepared in accordance with GAAP,

minus (1) Permitted NMTC Debt to the extent included therein, minus (1) Permitted Cash. Notwithstanding anything to the contrary contained in this defined term, for any period of 45 consecutive days, the Borrower may elect, upon prior written notice to the Administrative Agent, to subtract from Total Debt on any date of calculation thereof during such period an amount equal to the principal portion of the Segregated Funds that, as of such date of calculation, has not been applied to the repayment of the Senior Notes.

"Total Leverage Ratio" means, as of any date, the ratio of (i) Total Debt as of such date to (ii) Adjusted Operating Cash Flow of the Parent for the most recently completed four fiscal quarters in respect of which a Compliance Certificate has been delivered in accordance with Section 6.1(c).

"Total Revolving Credit Exposure" means, with respect to any Lender at any time, the sum of such Lender's Revolving Credit Exposure and unused Revolving Commitment.

"Towers" means any cellular telephone site owned, leased or operated by any of the Loan Parties where antennae and electronic communications equipment are placed.

"Transactions" means (i) the execution and delivery by each Loan Party of each Loan Document to which it is a party on the Fourth Restatement Closing Date, (ii) the initial borrowing of the Loans and the issuance of any Letters of Credit on the Fourth Restatement Closing Date, (iii) the other transactions contemplated to occur on the Fourth Restatement Closing Date (other than the AWN Transaction), and (iv) the payment of premiums, fees, interest, commissions and expenses in connection with each of the foregoing.

"Type", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to, in the case of (i) a Borrowing other than a Swingline Borrowing, the LIBO Rate or the Alternate Base Rate or (ii) a Swingline Borrowing, the Alternate Base Rate.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years obtained by dividing (i) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment, by (ii) the then outstanding principal amount of such Indebtedness.

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

Section 1.2. Classification of Loans and Borrowings

For purposes of this Agreement, Loans may be classified and referred to by Class (e.g., a "Term B Loan") or by Type (e.g., a "Eurodollar Loan") or by Class and Type (e.g., a "Eurodollar Term B Loan"). Borrowings may also be classified and referred to by Class (e.g., a

"Term B Borrowing") or by Type (e.g., a "Eurodollar Borrowing") or by Class and Type (e.g., a "Eurodollar Term B Borrowing").

Section 1.3. Terms Generally

The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified, (ii) any definition of or reference to any law shall be construed as referring to such law as from time to time amended and any successor thereto and the rules and regulations promulgated from time to time thereunder, (iii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iv) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (v) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. Any reference to an "applicable Lender" shall mean, in the case of any Class of Borrowings, Lenders with that particular Class of Loans or Commitments or, in the case of Swingline Loans and Letters of Credit, Revolving Lenders with respect to the Facility pursuant to which Swingline Loans were made or Letters of Credit Issued.

Section 1.4. Accounting Terms; GAAP

Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time, provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the Fourth Restatement Closing Date in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Lenders required therefor request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Unless the context otherwise requires, any reference to a fiscal period shall refer to the relevant fiscal period of the Borrower.

ARTICLE 2

THE CREDITS

Section 2.1. Commitments and Loans

(a) Revolving Loans. Prior to the Fourth Restatement Closing Date, each Existing Revolving Lender made Existing Revolving Loans to the Borrower. The outstanding principal amount of the Existing Revolving Loans on the Fourth Restatement Closing Date is $81,489,372.21. Subject to the terms and conditions set forth herein, each Lender having a Revolving Commitment with respect to a Facility agrees to make Revolving Loans with respect to such Facility to the Borrower in dollars from time to time during the Revolving Availability Period for such Facility in an aggregate principal amount that will not result in such Lender's Revolving Credit Exposure with respect to such Facility exceeding such Lender's Revolving Commitment for such Facility. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Revolving Loans.

(b) Existing Term Loans. Prior to the Fourth Restatement Closing Date, each Existing Term Lender made Existing Term Loans to the Borrower. The outstanding principal amount of the Existing Term Loans on the Fourth Restatement Closing Date is $240,000,000. Existing Term Loans repaid or prepaid in whole or in part may not be reborrowed.

(c) [Reserved].

(d) Add-on Term Loans. Prior to the Fourth Restatement Closing Date, no Add-on Term Loans were made.

(e) MFN Applicable Margin. If as of any date the interest rate margin then applicable to any ABR Incremental Term Loan (other than an Incremental Term Loan constituting an increase in the Term B Loans or an Incremental Term Loan having terms substantially identical to the Term B Loans except with respect to currency, pricing (including interest rate margins, rate floors, fees, premiums and funding discounts) and, subject to not maturing prior to the Term B Loans or having a greater rate of amortization than the Term B Loans, the maturity and amortization schedule) (the "ABR MFN Margin") would, without giving effect to this Section 2.1(e), exceed the Applicable Margin applicable to ABR Revolving Borrowings under the Existing Revolving Facility and ABR Existing Term Loan Borrowings by 0.50% or more, then notwithstanding anything to the contrary contained in the defined term "Applicable Margin", the Applicable Margin for each ABR Revolving Borrowing under the Existing Revolving Facility, each ABR Existing Term Borrowing and each Swingline Loan shall instead be equal to the ABR MFN Margin. If as of any date the interest rate margin then applicable to any Eurodollar Incremental Term Loan (other than an Incremental Term Loan constituting an increase in the Term B Loans or an Incremental Term Loan having terms substantially identical to the Term B Loans except with respect to currency, pricing (including interest rate margins, rate floors, fees, premiums and funding discounts) and, subject to not maturing prior to the Term B Loans or having a greater rate of amortization than the Term B Loans, the maturity and amortization schedule) (the "Eurodollar MFN Margin") would, without giving effect to this Section 2.1(e), exceed the Applicable Margin applicable to Eurodollar Revolving Borrowings under the Existing Revolving Facility and Eurodollar Existing Term Loan

Borrowings by 0.50% or more, then notwithstanding anything to the contrary contained in the defined term "Applicable Margin", the Applicable Margin for each Eurodollar Revolving Borrowing under the Existing Revolving Facility and each Eurodollar Existing Term Loan Borrowing and for any fee payable under Section 3.3(b)(i) shall instead be equal to the Eurodollar MFN Margin. Notwithstanding anything to the contrary herein contained, no amendment, modification or waiver of any provision of this Section 2.1(e) shall be permitted without the written consent of the Majority A Lenders.

(f) Term B Loans. Subject to the terms and conditions set forth herein, each Lender having a Term B Loan Commitment agrees to make Term B Loans to the Borrower in dollars on the Fourth Restatement Closing Date in an aggregate principal amount that will not result in such Lender's Term B Loan exceeding such Lender's Term B Loan Commitment. If for any reason the full amount of such Lender's Term B Loan Commitment is not fully drawn on the Fourth Restatement Closing Date, the undrawn portion thereof shall automatically be terminated. Amounts borrowed under this Section 2.1(f) and repaid or prepaid in whole or in part may not be reborrowed.

(g) Other Term Loans. Subject to the terms and conditions set forth herein, each Incremental Term Lender agrees, severally and not jointly, if such Incremental Term Lender has so committed pursuant to Section 2.13, to make Incremental Term Loans to the Borrower in an aggregate principal amount not to exceed its Incremental Term Commitment and otherwise on the terms and subject to the conditions set forth in the Incremental Term Facility Amendment to which such Lender is a party. Subject to the terms and conditions set forth herein, each Refinancing Term Lender agrees, severally and not jointly, if such Refinancing Term Lender has so committed pursuant to Section 2.14, to make Refinancing Term Loans to the Borrower in an aggregate principal amount not to exceed its Refinancing Term Commitment and otherwise on the terms and subject to the conditions set forth in the Refinancing Amendment to which such Lender is a party. Subject to the terms and conditions set forth herein, each Extending Term Lender agrees, severally and not jointly, if such Extending Term Lender has so committed pursuant to Section 2.15, to make Extended Term Loans to the Borrower in an aggregate principal amount not to exceed its Commitment with respect thereto and otherwise on the terms and subject to the conditions set forth in the Extension Amendment to which such Lender is a party. Term Loans which are prepaid or repaid in whole or in part may not be reborrowed.

Section 2.2. Loans and Borrowings

(a) Each Revolving Loan shall be made as part of a Borrowing consisting of Revolving Loans from the same Facility made by the Revolving Lenders ratably in accordance with their respective Revolving Commitments under such Facility, and each Term Loan shall be made as part of a Borrowing consisting of Term Loans from the same Facility made by the Term Lenders ratably in accordance with their respective Commitments to make Term Loans under such Facility. The failure of any applicable Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder, provided that the Commitments of the applicable Lenders are several, and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Subject to Section 3.4, each Borrowing shall be comprised entirely of Loans of the same Class and Type, in each case as the Borrower may request in accordance herewith; provided that each Swingline Loan shall be an ABR Loan. Each applicable Lender at its option may make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan, provided that any exercise of such option shall not (i) affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement or (ii) increase any cost or expense to the Borrower or impose any additional withholding requirement on the Borrower.

(c) At the commencement of each Interest Period for any Eurodollar Borrowing, such Borrowing shall be in a minimum amount of $1,000,000 and in integral multiples of $500,000. At the time that each ABR Borrowing is made, such Borrowing shall be in a minimum amount of $1,000,000 and in integral multiples of $500,000, provided that an ABR Revolving Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Revolving Commitments for a Facility, in an aggregate amount that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.9(e) or in an aggregate amount that is required to finance the reimbursement of a Swingline Loan as contemplated by Section 2.10(c), and an ABR Term Borrowing may be in an aggregate amount that is equal to the entire unused Commitments to make Term Loans under a Facility. Each Swingline Loan shall be in an amount that is agreed upon by the Borrower, the Administrative Agent and the Swingline Lender. Borrowings of more than one Type may be outstanding at the same time, provided that there shall not at any time be more than a total of 12 Eurodollar Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date for the Loans comprising such Borrowing.

Section 2.3. Requests for Borrowings

(a) To request a Borrowing, the Borrower shall notify the Administrative Agent of such request by telephone or e-mail (i) in the case of a Eurodollar Borrowing, not later than 2:00 p.m., New York City time, three Business Days before the date of the proposed Borrowing or (ii) in the case of an ABR Borrowing, not later than 2:00 p.m., New York City time, on the date of the proposed Borrowing. Each such telephonic or e-mail borrowing request shall be irrevocable and shall be confirmed by no later than 3:00 p.m., New York City time, on the date of such request by hand delivery, e-mail or facsimile to the Administrative Agent of a copy of a written Borrowing Request signed by the Borrower. Each such telephonic or e-mail borrowing request and written Borrowing Request shall specify the following information in compliance with Section 2.2:

(i) the aggregate amount of the requested Borrowing;

(ii) the date of such Borrowing, which shall be a Business Day;

(iii) the Facility under which such Borrowing is to be made;

(iv) whether such Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing;

(v) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and

(vi) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.4.

(b) If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Eurodollar Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each applicable Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

Section 2.4. Funding of Borrowings

(a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 4:00 p.m., New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders; provided that Swingline Loans shall be made as provided in Section 2.10. Subject to Section 5.2, the Administrative Agent will make such Loans available to the Borrower by promptly crediting or otherwise transferring the amounts so received, in like funds, to an account of the Borrower designated by the Borrower in the applicable Borrowing Request, provided that ABR Revolving Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.9(e) shall be remitted by the Administrative Agent to the Issuing Bank. Notwithstanding anything contained in this Section 2.4(a), Borrower, Administrative Agent, and the Term B Lenders may agree that the Term B Loans be funded in such other manner as such parties may agree.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to 3:00 p.m., New York City time, on the date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.4(a) or Section 2.9(e) and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender agrees to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing. If such Lender's share of such Borrowing is not made available to the Administrative Agent by such Lender within three Business Days after the date of such Borrowing, the

Administrative Agent shall give notice of such fact to the Borrower and the Administrative Agent shall also be entitled to recover such amount with interest thereon at the rate per annum otherwise applicable to such Borrowing, on demand, from the Borrower. Nothing herein shall be deemed to limit the rights of the Administrative Agent or the Borrower against any Defaulting Lender.

Section 2.5. Termination, Reduction and Increase of Commitments

(a) Unless previously terminated, (1)the Revolving Commitments under the Existing Revolving Facility shall terminate on the Existing Facility Maturity Date, and the Term B Loan Commitments shall terminate after the making of the Term B Loans on the Fourth Restatement Closing Date, (ii) any Incremental Term Commitments of a Class shall terminate on the making of the Incremental Term Loans of such Class, (iii) any Refinancing Term Commitments of a Class shall terminate on the making of the Refinancing Term Loans of such Class, (iv) each Class of Refinancing Revolving Commitments shall terminate on the date specified in the Refinancing Amendment for such Class, (v) each Class of Extended Revolving Commitments shall terminate on the date specified in the Extension Amendment for such Class, and (vi) any Commitments for Extended Term Loans of a Class shall terminate on the making of the Extended Term Loans of such Class.

(b) The Borrower may at any time terminate, or from time to time reduce, the Revolving Commitments under a Facility, provided that (i) the Borrower shall not terminate or reduce the Revolving Commitments if, after giving effect to any concurrent prepayment of the Revolving Loans under such Facility in accordance with Section 2.7, the sum of the Revolving Credit Exposures for such Facility would exceed the total Revolving Commitments for such Facility, and (ii) each such reduction of the Revolving Commitments shall be in a minimum amount of $5,000,000 and in integral multiples of $1,000,000.

(c) The Borrower shall notify the Administrative Agent of any election to terminate or reduce Revolving Commitments under paragraph (b) of this Section at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable, provided that a notice of termination of Revolving Commitments delivered by the Borrower may state that such notice is conditioned upon the occurrence or non-occurrence of any event specified therein (including the effectiveness of other credit facilities), in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Each reduction, and any termination, of Revolving Commitments shall be permanent, and each such reduction shall be made ratably among the applicable Lenders (other than a Defaulting Lender) in accordance with their respective applicable Revolving Commitments.

(d) The Borrower may at any time and from time to time, at its sole cost, expense and effort, request any one or more of the Lenders (other than a Defaulting Lender), an Affiliate of a Lender (other than a Defaulting Lender) or an Approved Fund of a Lender (other than a Defaulting Lender) to increase its Revolving Commitment or to provide a new Revolving Commitment, as the case may be (the decision to be within the sole and absolute discretion of such Lender, Affiliate or

Approved Fund) under a Facility, or any other Person reasonably satisfactory to the Administrative Agent, the Issuing Bank and the Swingline Lender to provide a new Revolving Commitment, by submitting a Revolving Increase Supplement duly executed by the Borrower and each such Lender, Affiliate, Approved Fund or other Person, as the case may be, to the Administrative Agent. If such Revolving Increase Supplement is in all respects reasonably satisfactory to the Administrative Agent, the Administrative Agent shall execute such Revolving Increase Supplement and deliver a copy thereof to the Borrower and each such Lender, Affiliate, Approved Fund or other Person, as the case may be. Upon execution and delivery of such Revolving Increase Supplement by the Administrative Agent, (i) in the case of each such Lender, such Lender's Revolving Commitment under such Facility shall be increased to the amount set forth in such Revolving Increase Supplement, (ii) in the case of each such Affiliate, Approved Fund or other Person, such Affiliate, Approved Fund or other Person shall thereupon become a party hereto and shall for all purposes of the Loan Documents be deemed a "Lender" having a Revolving Commitment under such Facility as set forth in such Revolving Increase Supplement, and (iii) in each case, the Revolving Commitment under such Facility of such Lender, Affiliate, Approved Fund or such other Person, as the case may be, shall be as set forth in the applicable Revolving Increase Supplement; provided, however, that:

(A) [Reserved];

(B) immediately after giving effect thereto, the sum of the increases to the Revolving Commitments pursuant to this Section 2.5(d) after the Fourth Restatement Closing Date (the "Aggregate Increased Revolving Amount") plus the amount of the Incremental Term Loans made to the Borrower shall not exceed the Incremental Amount;

(C) [Reserved];

(D) each such increase when aggregated with any contemporaneous Incremental Term Loans or Incremental Term Commitments made pursuant to Section 2.13 shall be in an amount not less than $25,000,000 and in an integral multiple of $1,000,000;

(E) if Revolving Loans would be outstanding under the applicable Facility immediately after giving effect to each such increase, then simultaneously with such increase (1) each such Lender, each such Affiliate, Approved Fund or other Person and each other Lender under such Facility shall be deemed to have entered into a master assignment and acceptance agreement, in form and substance substantially similar to Exhibit A, pursuant to which each such other Lender shall have assigned to each such Lender and each such Affiliate, Approved Fund or other Person a portion of its Revolving Loans necessary to reflect proportionately the Revolving Commitments as adjusted in accordance with this Section 2.5(d), and (2) in connection with such assignment, each such Lender and each such Affiliate, Approved Fund or other Person shall pay to the Administrative Agent, for the account of the other Lenders, such amount as shall be necessary to appropriately reflect the assignment to it of Revolving Loans, and in connection with such master assignment each such other Lender may treat the assignment of Eurodollar Borrowings as a prepayment of such Eurodollar Borrowings for purposes of Section 3.6; and

(F) each such Affiliate, Approved Fund or other Person shall have delivered to the Administrative Agent and the Borrower all forms, if any, that are required to be delivered by such Affiliate, Approved Fund or other Person pursuant to Section 3.7.

Section 2.6. Repayment of Loans

(a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each applicable Lender (i) the unpaid principal amount of each Existing Facility Loan (other than each Swingline Loan) on the Existing Facility Maturity Date, and (ii) the unpaid principal amount of each Swingline Loan on the earliest to occur of the last day of the Swingline Interest Period applicable thereto, the tenth Business Day immediately preceding the Swingline Termination Date, and the date on which the Swingline Loans shall become due and payable pursuant to the provisions hereof, whether by acceleration or otherwise, provided that on each date that a Revolving Borrowing is made, the Borrower shall repay all Swingline Loans then outstanding.

(b) The unpaid principal amount of each Term B Loan shall be payable (1) in an amount equal to 0.25% of the original principal amount of such Term B Loan on the last Business Day of each March, June, September and December of each year, commencing on the first such date following the first complete calendar quarter following the Fourth Restatement Closing Date, and (1) in full on the Term B Loan Maturity Date.

(c) The unpaid principal amount of each Incremental Term Loan, Refinancing Term Loan and Extended Term Loan shall be payable in such amounts and on such dates, if any, as shall be set forth in the applicable Facility Amendment.

Section 2.7. Prepayment of Loans

(a) The Borrower shall have the right at any time and from time to time to prepay any Revolving Borrowing in whole or in part, or prepay Existing Term Loans and/or Term B Loans, in whole or in part, subject to the requirements of this Section. The Borrower shall have the right at any time and from time to time to prepay Incremental Term Loans, Refinancing Term Loans and/or Extended Term Loans of any Class in whole or in part subject to any restrictions set forth in the Facility Amendment applicable to such Class. Each voluntary or mandatory prepayment of Existing Term Loans under this Section 2.7 shall be applied (i) pro rata among each Existing Term Loan then outstanding, and (ii) for each Existing Term Loan, to reduce the remaining installments payable thereon pro rata. Each voluntary or mandatory prepayment of Term B Loans under this Section 2.7 shall be applied (i) pro rata among each Term B Loan then outstanding, and (ii) for each Term B Loan, to reduce the remaining installments payable thereon pro rata. Subject to the provisions of any Facility Amendment, each voluntary and mandatory prepayment of any other Class of Term Loans under this Section 2.7 shall be applied (i) pro rata among each Term Loan in such Class then outstanding, and (ii) for each such Term Loan, to reduce the remaining installments payable thereon pro rata.

(b) In the event of any partial reduction or termination of Revolving Commitments, then (i) at or prior to the date of such reduction or termination, the Administrative

Agent shall notify the Borrower and the applicable Lenders of the sum of the Revolving Credit Exposures under the applicable Facility after giving effect thereto and (ii) if such sum would exceed the total Revolving Commitments for such Facility after giving effect to such reduction or termination, then the Borrower shall, on the date of such reduction or termination, prepay Revolving Borrowings in an amount sufficient to eliminate such excess. To the extent that the Revolving Borrowings have been prepaid in full and the Revolving Credit Exposure for the applicable Facility still exceeds the Revolving Commitments as a result of the LC Exposure, the Borrower shall cash collateralize, on terms and conditions in accordance with the provisions set forth in Section 2.9(i) of this Agreement, outstanding Letters of Credit in a principal amount sufficient to eliminate the excess Revolving Credit Exposure.

(c) Upon the occurrence of each Amortization Event, and thereafter on each Compliance Certificate Delivery Date until such time, if any, as an Amortization Termination Event shall have occurred, the Borrower shall prepay the Existing Term Loans (subject to Section 2.7(g) below), by an amount equal to the percentage set forth below adjacent to the calendar year in which the Compliance Certificate Reference Date shall have occurred multiplied by the sum of the original principal amount of such Existing Term Loan:

Calendar Year	Percentage
2014	1.250%
2015	1.875%
2016	3.125%
2017	3.750%

For purposes of this Section 2.7(c), the following terms have the following meanings:

"Amortization Event" means the delivery of the second consecutive Higher-leverage Compliance Certificate.

"Amortization Termination Event" means, at any time following the last Amortization Event, if any, the delivery of the second consecutive Lower-leverage Compliance Certificate.

"Higher-leverage Compliance Certificate" means a Compliance Certificate delivered in accordance with Section 6.1(c) indicating that a High Ratio Condition existed at the Compliance Certificate Reference Date for such Compliance Certificate.

"Lower-leverage Compliance Certificate" means a Compliance Certificate delivered in accordance with Section 6.1(c) other than a Higher-leverage Compliance Certificate.

Notwithstanding anything to the contrary herein contained, no amendment, modification or waiver of any provision of this Section 2.7(c) which would have the effect of reducing any payment

hereunder shall be permitted without the written consent of the Majority Facility Lenders in respect of the Existing Term Loan Facility.

(d) The Borrower shall prepay the Term Loans pro rata in an amount equal to 100% of the Net Proceeds in excess of $25,000,000 in the aggregate during any fiscal year in respect of Affected Sales; provided that, no such prepayment shall be required to the extent that such Net Proceeds are used within 12 months of receipt thereof to purchase assets to be used in the business of the Borrower or any of its Subsidiaries. "Affected Sale" means any sale or other disposition of assets (other than cash) or any casualty event or condemnation of property of the Borrower or any Subsidiary (other than sales and dispositions to the Borrower or a Subsidiary Guarantor or in the ordinary course of business of the Borrower or such Subsidiary) in each case occurring at any time that the Senior Leverage Ratio, as set forth in the Compliance Certificate most recently delivered, is greater than 2.75:1.00.

(e) If any Indebtedness shall be incurred by the Parent, the Borrower or any Subsidiary (excluding any Indebtedness incurred in accordance with Section 7.1) an amount equal to 100% of the Net Proceeds thereof shall be applied on the date of such incurrence as follows: (1) first, to the pro rata prepayment of the Term Loans and (ii) thereafter, to the pro rata prepayment of the Revolving Loans. If any Credit Agreement Refinancing Debt shall be incurred by the Borrower, an amount equal to 100% of the Net Proceeds thereof shall be applied on the date of such incurrence to the pro rata prepayment of the Refinanced Debt being refinanced.

(f) Upon the occurrence of a Term B Loan Repricing Transaction, the Borrower shall, simultaneously therewith, pay to the Administrative Agent, for the ratable account of each Term B Lender, a premium in an amount equal to (X) in the case of a Term B Loan Repricing Transaction arising out of a Term Loan B Refinancing within the meaning of clause (a) or (c) of such defined term, 1.0% of the aggregate principal amount of the Term B Loans being prepaid, or (Y) in the case of a Term B Loan Repricing Transaction arising out of a Term Loan B Refinancing within the meaning of clause (b) of such defined term, 1.0% of the aggregate principal balance of the Term B Loans outstanding immediately prior thereto.

(g) The Borrower shall notify the Administrative Agent (and, in the case of the prepayment of a Swingline Loan, the Swingline Lender) by telephone (confirmed by facsimile) of any prepayment hereunder (i) in the case of a prepayment of a Eurodollar Borrowing, not later than 2:00 p.m., New York City time, three Business Days before the date of prepayment, (ii) in the case of prepayment of an ABR Borrowing (other than a Swingline Loan), not later than 2:00 p.m., New York City time, on the date of prepayment or (iii) in the case of prepayment of a Swingline Loan, not later than 3:00 p.m., New York City time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid, provided that, if a notice of prepayment is given in connection with a conditional notice of termination of Commitments as contemplated by Section 2.5, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.5. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the applicable Lenders of the contents thereof. Each partial prepayment of any Borrowing under Section 2.7(a) shall (i) with respect to Eurodollar Borrowings,

be in a minimum amount of $1,000,000 and in integral multiples of $100,000, and (ii) with respect to ABR Borrowings, be in a minimum amount of $500,000 and in integral multiples of $100,000. Prepayments shall be accompanied by accrued interest to the extent required by Section 3.1 together with any amounts required by Section 3.6.

Section 2.8. Evidence of Debt

(a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the debt of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(b) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Class and Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(c) The entries made in the accounts maintained pursuant to paragraphs (a) or (b) of this Section shall be, absent demonstrable error, prima facie evidence of the existence and amounts of the obligations recorded therein, provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(d) Any Lender may request that the Loans made by it be evidenced by a Note. In such event, the Borrower shall prepare, execute and deliver to such Lender, a Note payable to such Lender. In addition, if requested by a Lender, its Note may be made payable to such Lender and its registered assigns in which case all Loans evidenced by such Note and interest thereon shall at all times (including after assignment pursuant to Section 10.4) be represented by one or more Notes in like form payable to the payee named therein and its registered assigns.

Section 2.9. Letters of Credit

(a) General. Subject to the terms and conditions set forth herein and in Section 2.12(d), the Borrower may request the issuance of Letters of Credit denominated in dollars for its own account (or for the account of any Subsidiary other than NMTC Subsidiaries), in a form reasonably acceptable to the Administrative Agent and the Issuing Bank, at any time and from time to time during the period from the Fourth Restatement Closing Date to the third day prior to the LC Termination Date. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower to, or entered into by the Borrower with, the Issuing Bank, the terms and conditions of this Agreement shall control. Upon satisfaction of the conditions in Article 5 on the Fourth Restatement Closing Date, in each case automatically and without further action on the part of any Person, (i) each Existing Letter of Credit will be deemed to be a Letter of Credit issued hereunder for all purposes of the Loan Documents and (ii) each Lender that has issued an Existing

Letter of Credit shall be deemed to have granted to each other Lender with a Revolving Commitment, and each other such Lender shall be deemed to have acquired from such issuer, a participation in each Existing Letter of Credit equal to such other Lender's Applicable Percentage of (A) the aggregate amount available to be drawn under such Existing Letter of Credit and (B) the aggregate amount of any reimbursement obligation in respect of any LC Disbursement in respect thereof. With respect to each Existing Letter of Credit (x) if, prior to the Fourth Restatement Closing Date, the relevant issuer sold a participation therein to a Lender with a Revolving Commitment, such issuer and Lender agree that such participation shall be automatically canceled upon consummation of the Fourth Restatement Closing Date, and (y) if, prior to the Fourth Restatement Closing Date, the relevant issuer sold a participation therein to any bank or financial institution that is not a Lender with a Revolving Commitment, such issuer shall procure the termination of such participation on or prior to the Fourth Restatement Closing Date.

(b) Notice of Issuance; Amendment; Renewal; Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrower shall hand deliver or send by facsimile (or transmit by e-mail, with attachments thereto, if any, in .pdf format) to the Issuing Bank and the Administrative Agent (not later than two Business Days before the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the Issuing Bank, the Borrower also shall submit a letter of credit application on the Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and, upon issuance, amendment, renewal or extension of each Letter of Credit, the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the LC Exposure shall not exceed $50,000,000 and (ii) the total Revolving Credit Exposures shall not exceed the total Revolving Commitments.

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date that is one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is three days prior to the LC Termination Date, provided that any Letter of Credit may provide for the automatic renewal thereof for additional periods of lengths not to exceed one year (which shall in no event extend beyond the date that is three days prior to the LC Termination Date).

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the Issuing Bank or the applicable Revolving Lenders, the Issuing Bank hereby grants to each Revolving Lender, and each such Revolving Lender hereby acquires from the Issuing Bank, a participation in such Letter of Credit equal to such Revolving Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of

the foregoing, each such Revolving Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the Issuing Bank, such Revolving Lender's Applicable Percentage of each LC Disbursement made by the Issuing Bank and not reimbursed by the Borrower on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to the Borrower for any reason. Each such Revolving Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Revolving Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever; provided, however, that no Revolving Lender shall be obligated to make any payment to the Administrative Agent for any wrongful LC Disbursement made by the Issuing Bank as a result of acts or omissions constituting willful misconduct or gross negligence on the part of the Issuing Bank.

(e) Reimbursement. If the Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, then the Issuing Bank shall notify the Borrower to reimburse the Issuing Bank therefor, in which case the Borrower shall reimburse such LC Disbursement by paying to the Administrative Agent an amount equal to such LC Disbursement and any accrued interest thereon not later than 2:00 p.m., New York City time, on the date that such LC Disbursement is made, if the Borrower shall have received notice of such LC Disbursement prior to 1:00 p.m., New York City time, on such date, or if such notice has not been received by the Borrower prior to such time on such date, then not later than 2:00 p.m., New York City time, on (A) the Business Day that the Borrower receives such notice, if such notice is received prior to 1:00 p.m., New York City time, on the day of receipt or (B) the Business Day immediately following the day that the Borrower receives such notice, if such notice is not received prior to such time on the day of receipt, provided that, if the LC Disbursement is equal to or greater than $1,000,000, the Borrower may, subject to the conditions of borrowing set forth herein, request in accordance with Section 2.3 that such payment be financed with an ABR Revolving Borrowing or Swingline Loan in an equivalent amount and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting ABR Revolving Borrowing or Swingline Loan. If the Borrower fails to make such payment when due (or if any such reimbursement payment is required to be refunded to the Borrower for any reason), the Issuing Bank may notify the Administrative Agent that the Issuing Bank is requesting that the applicable Lenders make an ABR Revolving Borrowing in an amount equal to such LC Disbursement and any accrued interest thereon, in which case (1) the Administrative Agent shall notify each applicable Lender of the details thereof and of the amount of such Lender's Loan to be made as part of such ABR Revolving Borrowing, and (2) each Lender shall, whether or not any Default shall have occurred and be continuing, any representation or warranty shall be accurate, any condition to the making of any loan hereunder shall have been fulfilled, or any other matter whatsoever, make the Loan to be made by it under this paragraph by wire transfer of immediately available funds to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders, (A) on such date, in the event that such Lender shall have received notice of such ABR Revolving Borrowing prior to 1:00 p.m., New York City time, or (B) if such notice has not been received by such Lender prior to such time on such date, then not later than 2:00 p.m., New York City time, on (x) the Business Day that such Lender

receives such notice, if such notice is received prior to 1:00 p.m., New York City time, on the day of receipt or (y) the Business Day immediately following the day that such Lender receives such notice, if such notice is not received prior to such time on the day of receipt. Such Loans shall, for all purposes hereof, be deemed to be an ABR Revolving Borrowing referred to in Section 2.1(a) and made pursuant to Section 2.4, and the Lenders' obligations to make such Loans shall be absolute and unconditional. The Administrative Agent will make such Loans available to the Issuing Bank by promptly crediting or otherwise transferring the amounts so received, in like funds, to the Issuing Bank for the purpose of repaying in full the LC Disbursement and all accrued interest thereon. An ABR Borrowing pursuant to this Section 2.9(e) made when the conditions to an ABR Borrowing are not satisfied under Section 5.2 shall not be deemed to have satisfied the Borrower's reimbursement obligation with respect to an LC Disbursement for purposes of determining whether or not an Event of Default exists under clause (a) of Article 8.

(f) Obligations Absolute. Except as provided below, to the fullest extent permitted by law, the Borrower's obligations to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein or herein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder. Neither any Credit Party nor any of their respective Related Parties shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Issuing Bank; provided that the Issuing Bank shall be liable to the Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower or any Subsidiary that are caused by the Issuing Bank's failure to exercise care when determining whether (x) drafts and other documents presented under a Letter of Credit issued by it comply with the terms thereof, or (y) to pay under any Letter of Credit. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of the Issuing Bank (as finally determined by a court of competent jurisdiction), the Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or

information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. The Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit issued by it. The Issuing Bank shall promptly notify the Administrative Agent and the Borrower by telephone (confirmed by facsimile) of such demand for payment and whether the Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse the Issuing Bank and the applicable Lenders with respect to any such LC Disbursement.

(h) Interim Interest. If the Issuing Bank shall make any LC Disbursement, then, unless the Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrower reimburses such LC Disbursement, at the rate per annum then applicable to ABR Revolving Loans; provided that, if the Borrower fails to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section, then Section 3.1(b) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the Issuing Bank, except that interest accrued on and after the date of payment by any Lender pursuant to paragraph (d) of this Section to reimburse the Issuing Bank shall be for the account of such Lender to the extent of such payment.

(i) Cash Collateral. If (x) any Event of Default shall occur and be continuing, on the Business Day that the Borrower receives notice from the Administrative Agent or Lenders holding more than 50% of the total LC Exposure demanding the deposit of cash collateral pursuant to this paragraph, or (y) the maturity of the Revolving Loans has been accelerated, the Borrower shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the applicable Lenders, an amount in cash equal to the LC Exposure as of such date plus any accrued and unpaid interest thereon; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in paragraph (h) or (i) of Article 8. Such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the obligations of the Borrower under this Section 2.9. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Such deposit shall not bear interest, nor shall the Administrative Agent be under any obligation whatsoever to invest the same, provided, however, that, at the request of the Borrower, such deposit shall be invested by the Administrative Agent in direct short-term obligations of, or short-term obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, in each case maturing no later than the expiry date of the Letter of Credit giving rise to the relevant LC Exposure. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Agent as follows: first, to reimburse the Issuing Bank for LC Disbursements for which it has not been reimbursed, second, if there be any excess, to be held for the satisfaction of the reimbursement obligations (contingent or otherwise) of the Borrower for the LC Exposure at such time, third, if there be any excess, to reduce

the Revolving Credit Exposure of all of the Lenders pro rata, and fourth, if there be any excess and if the maturity of the Loans has been accelerated (but subject to the consent of Lenders with LC Exposure representing greater than 50% of the total LC Exposure), to satisfy other obligations of the Borrower under this Agreement. If the Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount and any interest thereon (to the extent not applied as aforesaid) shall be returned to the Borrower within three Business Days after all Events of Default have been cured or waived.

Section 2.10. Swingline Loans

(a) Subject to the terms and conditions set forth herein, the Swingline Lender agrees to make Swingline Loans to the Borrower from time to time in dollars until the Swingline Termination Date, in an aggregate principal amount at any time outstanding that will not result in (i) the aggregate principal amount of outstanding Swingline Loans exceeding $5,000,000 or (ii) the sum of the total Revolving Credit Exposures exceeding the total Revolving Commitments; provided that the Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. Notwithstanding the foregoing, the Swingline Lender shall not be required to make a Swingline Loan if (i) any Revolving Lender shall be a Defaulting Lender, or (ii) any Revolving Lender shall have notified the Swingline Lender and the Borrower in writing at least one Business Day prior to the date of Borrowing with respect to such Swingline Loan that the conditions set forth in Section 5.2 have not been satisfied and such conditions remain unsatisfied as of the requested time of the making of such Swingline Loan. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Swingline Loans.

(b) To request a Swingline Loan, the Borrower shall notify the Administrative Agent of such request by telephone (confirmed by telecopy), not later than 3:00 p.m., New York City time, on the day of a proposed Swingline Loan. Each such notice shall be irrevocable and shall specify (i) the aggregate principal amount to be borrowed, (ii) the requested date of such Borrowing, and (iii) the amount of, and the length of the Swingline Interest Period for, each Swingline Loan, provided, however, that no such Swingline Interest Period shall end after the Business Day immediately preceding the Swingline Termination Date. The Administrative Agent will promptly advise the Swingline Lender of any such notice received from the Borrower. The Swingline Lender shall make each Swingline Loan available to the Borrower by means of a credit to the general deposit account of the Borrower with the Swingline Lender (or, in the case of a Swingline Loan made to finance the reimbursement of an LC Disbursement as provided in Section 2.9(e), by remittance to the Issuing Bank) by 3:30 p.m., New York City time, on the requested date of such Swingline Loan.

(c) The Swingline Lender may by written notice given to the Administrative Agent not later than 11:00 a.m., New York City time, on any Business Day notify the Administrative Agent that the Swingline Lender is requesting that each Lender, and the Administrative Agent may (with the consent of Lenders holding more than 50% of the total Swingline Exposure) or shall (at the request of Lenders holding more than 50% of the total Swingline Exposure) by written notice given to the Swingline Lender not later than 11:00 a.m., New York City time, on any Business Day

require that each Lender, at the option of the Borrower, (i) make a Revolving Loan in an amount equal to its pro rata Revolving Commitment with respect to the outstanding principal balance of, and accrued and unpaid interest on, the Swingline Loans, or (ii) acquire participations on such Business Day in all or a portion of the Swingline Loans outstanding. Such notice shall specify the aggregate amount of Swingline Loans in which Lenders will participate. In either such case (i) the Administrative Agent shall notify each Lender of the details thereof and of the amount of such Lender's Revolving Loan or participation interest, as the case may be, and (ii) each Lender shall, whether or not any Default shall have occurred and be continuing, any representation or warranty shall be accurate, any condition to the making of any Loan hereunder shall have been fulfilled, or any other matter whatsoever, make the Revolving Loan required to be made by it, or purchase the participation required to be purchased by it, under this paragraph by wire transfer of immediately available funds to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders, (A) in the event that such Lender receives such notice prior to 12:00 noon, New York City time, on any Business Day, by no later than 3:00 p.m., New York City time, on such Business Day, or (B) in the event that such Lender receives such notice at or after 12:00 noon, New York City time, on any Business Day, by no later than 1:00 p.m. New York City time on the immediately succeeding Business Day. Any Loans made pursuant to this paragraph (c) shall, for all purposes hereof, be deemed to be Revolving Loans referred to in Section 2.1 and made pursuant to Section 2.4(a), and the Lenders' obligations to make such Loans shall be absolute and unconditional. The Administrative Agent will make such Loans, or the amount of such participations, as the case may be, available to the Swingline Lender by promptly crediting or otherwise transferring the amounts so received, in like funds, to the Swingline Lender. Each Lender shall also be liable for an amount equal to the product of its pro rata Revolving Commitment and any amounts paid by the Borrower pursuant to this Section 2.10 that are subsequently rescinded or avoided, or must otherwise be restored or returned. Such liabilities shall be absolute and unconditional and without regard to the occurrence of any Default or the compliance by the Borrower with any of its obligations under the Loan Documents. Whenever the Administrative Agent is reimbursed by the Borrower, for the account of the Swingline Lender, for any payment in connection with Swingline Loans and such payment relates to an amount previously paid by a Lender pursuant to this Section, the Administrative Agent will promptly pay over such payment to such Lender. The purchase of participations in a Swingline Loan or the making by the Lenders of a Revolving Loan pursuant to this paragraph shall not relieve the Borrower of any default in the payment thereof.

Section 2.11. Payments Generally; Pro Rata Treatment; Sharing of Setoffs

(a) Each Loan Party shall make each payment required to be made by it hereunder or under any other Loan Document (whether of principal of Loans, LC Disbursements, interest or fees, or of amounts payable under Sections 3.5, 3.6, 3.7 or 10.3, or otherwise) prior to 2:00 p.m., New York City time (or, in the case of Swingline Loans, 3:00 p.m., New York City time), on the date when due, in immediately available funds, without setoff or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its office at 1301 Avenue of the Americas, New York, New York, or such other office as to which the Administrative Agent may notify the other parties hereto, except payments to be made to the Issuing Bank or the Swingline

Lender as expressly provided herein and except that payments pursuant to Sections 3.5, 3.6, 3.7 and 10.3 shall be made directly to the Persons entitled thereto and payments made pursuant to other Loan Documents shall be made to the Persons specified therein. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal of Loans, unreimbursed LC Disbursements, interest, fees and commissions then due hereunder (after giving effect to all applicable grace periods and/or cure periods, if any), such funds shall be applied (i) first, towards payment of interest, fees and commissions then due hereunder ratably among the parties entitled thereto in accordance with the amounts of interest, fees and commissions then due to such parties and (ii) second, towards payment of principal of Loans and unreimbursed LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal of Loans and unreimbursed LC Disbursements then due to such parties.

(c) If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of, or interest on, any of its Loans or participations in LC Disbursements or Swingline Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and participations in LC Disbursements and Swingline Loans and accrued interest thereon than the proportion received by any other applicable Lender, then the applicable Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans and participations in LC Disbursements and Swingline Loans of other applicable Lenders to the extent necessary so that the benefit of all such payments shall be shared by the applicable Lenders ratably in accordance with the aggregate amount of principal of, and accrued interest on, their respective Loans and participations in LC Disbursements and Swingline Loans, provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Loan Party in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from a Loan Party prior to the date on which any payment is due to the Administrative Agent for the account of the applicable Credit Parties hereunder that such Loan Party will not make such payment, the

Administrative Agent may assume that such Loan Party has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to such Credit Parties the amount due. In such event, if such Loan Party has not in fact made such payment, then each such Credit Party severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Credit Party with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Credit Party shall fail to make any payment required to be made by it pursuant to Section 2.4(b) or 2.9(e), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Credit Party to satisfy such Credit Party's obligations under such Sections until all such unsatisfied obligations are fully paid.

(f) Notwithstanding anything to the contrary herein contained, no amendment, modification or waiver of any provision of Sections 2.11(b) or 2.11(c) shall be permitted without the written consent of the Majority Facility Lenders in respect of each Facility adversely affected thereby.

Section 2.12. Defaulting Lenders

Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the unfunded portion of any Revolving Commitment of such Defaulting Lender pursuant to Section 3.3(a);

(b) the Commitments and Total Credit Exposure of such Defaulting Lender shall not be included in determining whether all Lenders, the Required Lenders, the Majority Facility Lenders, the Majority A Lenders, or any other group of Lenders have taken or may take any action hereunder (including any consent to any amendment or waiver pursuant to Section 10.2); provided that (i) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender which affects such Defaulting Lender differently than other affected Lenders shall require the consent of such Defaulting Lender, and (ii) any waiver, amendment or modification that would increase the Commitments of such Lender, or postpone the final maturity date of any payment of principal owed to such Lender, shall require the consent of such Defaulting Lender;

(c) if any Swingline Exposure or LC Exposure exists at the time a Revolving Lender becomes a Defaulting Lender then:

(i) all of such Swingline Exposure and LC Exposure shall be reallocated among the non-Defaulting Lenders in accordance with their respective Applicable Percentages to the extent (A) immediately after giving effect thereto, the sum of all non-Defaulting Lenders' Revolving Credit Exposure

would not exceed the total of all non-Defaulting Lenders' Revolving Commitments and (B) the conditions set forth in Section 5.2 are satisfied at such time (for the avoidance of doubt, no Lender's Revolving Commitment shall be changed as a result of such reallocation);

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, within one Business Day following notice by the Administrative Agent, the Borrower shall, after giving effect to any partial reallocation pursuant to clause (i) above, (A) first, prepay such Swingline Exposure and (B) second, cash collateralize such Defaulting Lender's LC Exposure in accordance with the procedures set forth in Section 2.9(i) for so long as such LC Exposure is outstanding;

(iii) to the extent the Borrower cash collateralizes any portion of such Defaulting Lender's LC Exposure pursuant to this Section 2.12(c), the Borrower shall not be required to pay any fees for the account of such Defaulting Lender pursuant to Section 3.3(b) with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is cash collateralized;

(iv) if the LC Exposure of such non-Defaulting Lender is reallocated pursuant to this Section 2.12(c), then the fees payable to the Lenders pursuant to Section 3.3(b) shall be adjusted in accordance with such non-Defaulting Lenders' Applicable Percentages; and

(v) the Administrative Agent shall promptly notify the Lenders of any reallocation described in this Section 2.12(c);

(d) so long as any Revolving Lender is a Defaulting Lender, the Swingline Lender shall not be required to fund any Swingline Loan and the Issuing Bank shall not be required to issue, amend, extend or increase any Letter of Credit, unless it is satisfied that the related exposure will be 100% covered by the Revolving Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Borrower in accordance with Section 2.12(c), and participating interests in any such newly issued or increased Letter of Credit or newly made Swingline Loan shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.12(c)(i) (and Defaulting Lenders shall not participate therein); and

(e) any amount payable to such Defaulting Lender hereunder (whether on account of principal, interest, fees or otherwise and including any amount that would otherwise be payable to such Defaulting Lender pursuant to Section 2.11(c) but excluding Section 3.9) shall, in lieu of being distributed to such Defaulting Lender, be retained by the Administrative Agent in a segregated account and, subject to any applicable requirements of law, be applied at such time or times as may be reasonably determined by the Administrative Agent (1) first, to the payment of any amounts then owing by such Defaulting Lender to the Administrative Agent hereunder, (1) second, pro rata, to the payment of any amounts then owing by such Defaulting Lender to the Issuing Bank or Swingline Lender hereunder, (1) third, to the extent requested by the Issuing Bank or Swingline

Lender, held in such account as cash collateral for future funding obligations of the Defaulting Lender in respect of any existing or future participating interest in any Swingline Loan or Letter of Credit, (1) fourth, to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, (1) fifth, if so determined by the Administrative Agent and the Borrower, held in such account as cash collateral for future funding obligations of the Defaulting Lender in respect of any Loans under this Agreement, (1) sixth, to the payment of any amounts owing to the Lenders or the Issuing Bank or Swingline Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, Issuing Bank or Swingline Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement, (1) seventh, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement, and (1) eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if such payment is (x) a prepayment of the principal amount of any Loans or reimbursement obligations in respect of LC Disbursements in respect of which a Defaulting Lender has funded its participation obligations and (y) made at a time when the conditions set forth in Section 5.2 are satisfied, such payment shall be applied solely to prepay the Loans of, and reimbursement obligations owed to, all non-Defaulting Lenders pro rata prior to being applied to the prepayment of any Loans, or reimbursement obligations owed to, any Defaulting Lender.

Section 2.13. Incremental Term Facilities

(a) At any time and from time to time, subject to the terms and conditions set forth herein, the Borrower may, by notice to the Administrative Agent (whereupon the Administrative Agent shall promptly deliver a copy thereof to each Lender), request to add one or more additional tranches of term loans (all such additional tranches of term loans, the "Incremental Term Loans"; and all such incremental facilities therefor, the "Incremental Term Facilities"); provided that (X) the sum of the aggregate principal amount of all Incremental Term Loans (determined at the time of incurrence) plus the Aggregate Increased Revolving Amount shall not exceed the Incremental Amount, and (Y) at the time of each such request and upon the effectiveness of each Incremental Term Facility Amendment, (1) no Event of Default (or, solely in connection with Acquisitions permitted by Section 7.5 and Investments permitted by Section 7.4 and provided that the applicable Incremental Term Lenders have agreed thereto, no Event of Default under Sections 8.1(a), (b), (h) or (i)) has occurred and is continuing or would exist after giving effect thereto, (1) the Borrower shall be in pro forma compliance with the Financial Covenants (as of the most recently ended fiscal quarter for which financial statements have been delivered pursuant to Section 6.1) after giving effect to the incurrence of such Incremental Term Facility and all transactions consummated in connection therewith, and (1) the representations and warranties of the Loan Parties set forth in the Loan Documents shall be true and correct in all material respects on and as of the date of the making of the Incremental Term Loans pursuant to such Incremental Term Facility Amendment (except to the extent that such representations and warranties relate to an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date and that any representation and warranty that is qualified as to "materiality" or "Material Adverse Effect" shall be true and correct in all respects without further qualification); provided that, customary "Sungard" or "certain funds" conditionality shall, to the extent agreed by such

Incremental Lenders, apply to any Incremental Term Facilities entered into in order to finance Acquisitions permitted by Section 7.5 or Investments permitted by Section 7.4.

(b) Each Incremental Term Facility shall not be guaranteed by any Subsidiary of the Borrower that is not a Guarantor and will rank pari passu or junior in right of payment and of security (if any) with the other Loans and Commitments.

(c) Any Incremental Term Loans (1) for purposes of prepayments, shall be treated substantially the same as (and in any event no more favorably than) the Term B Loans and Existing Term Loans, and (1) other than currency, amortization, pricing (including interest rate margins, rate floors, fees, premiums and funding discounts) and maturity date, shall have the same terms as the Term B Loans or (except for covenants or other provisions applicable only to the periods after the Term B Maturity Date) such terms as are reasonably satisfactory to the Administrative Agent (it being understood to the extent that any financial maintenance covenant is added for the benefit of any Incremental Term Facility, no consent shall be required from the Administrative Agent or any Lender to the extent that such financial maintenance covenant is also added for the benefit of all of the Term B Loans), provided that (A) any Incremental Term Loan shall not have a final maturity date earlier than the Latest Maturity Date and (B) any Incremental Term Loan shall not have a Weighted Average Life to Maturity that is shorter than (1) if such Incremental Term Loan has amortization provisions substantially similar to those applicable to the then-existing Existing Term Loans, the Weighted Average Life to Maturity of the then-existing Existing Term Loans and (1) if such Incremental Term Loan has amortization provisions other than those described in clause (x) above, the Weighted Average Life to Maturity of the then-existing Term B Loans.

(d) Each notice from the Borrower pursuant to this Section 2.13 shall set forth the requested amount and proposed terms of the relevant Incremental Term Loans. Any bank, financial institution or other Person that agrees with the Borrower to extend Incremental Term Loans (each an "Incremental Term Lender"), shall (1) if not already a Lender or a Person to whom a Lender may assign one or more Loans without the consent of the Administrative Agent hereunder, be reasonably satisfactory to the Administrative Agent and (1) if not already a Lender, become a Lender under this Agreement pursuant to an amendment (each an "Incremental Term Facility Amendment") to this Agreement and, as appropriate, the other Loan Documents, executed by the Loan Parties, each such Incremental Term Lender and the Administrative Agent. No Incremental Term Facility Amendment shall require the consent of any Lender other than the Incremental Term Lenders with respect to such Incremental Term Facility Amendment. No Lender shall be obligated to provide any Incremental Term Loans unless it so agrees in its sole and absolute discretion. An Incremental Term Facility Amendment may, without the consent of any other Lender, effect such amendments to any Loan Documents as may be necessary or appropriate, in the opinion of the Administrative Agent, to effect the provisions of this Section 2.13. The effectiveness of any Incremental Term Facility Amendment shall, unless otherwise agreed to by the Administrative Agent and the Incremental Term Lenders (and subject to the proviso in the first sentence of Section 2.13(a)), be subject to the satisfaction on the date thereof of each of the conditions set forth in Section 5.2.

(e) If the Effective Yield applicable to any Incremental Term Loan exceeds the Effective Yield of the Term B Loans by more than 0.50%, the rate of interest per annum applicable

to the Term B Loans shall be increased by an amount equal to the amount of such excess minus 0.50%. Notwithstanding anything to the contrary herein contained, no amendment, modification or waiver of any provision of the Credit Agreement which would reduce the amount of any payment required as a result of the operation of this Section 2.13(e) shall be permitted without the written consent of Majority Facility Lenders with respect to the Term B Facility, and this Section 2.13(e) may be amended, modified or waived without the consent of any Lenders other than Majority Facility Lenders with respect to the Term B Facility.

Section 2.14. Refinancing Amendments.

(a) At any time after the Fourth Restatement Closing Date, the Borrower may obtain Credit Agreement Refinancing Debt from any Additional Refinancing Lender, in each case pursuant to a Refinancing Amendment.

(b) The effectiveness of any Refinancing Amendment shall be subject to the satisfaction on the date thereof of each of the conditions set forth in Section 5.2 and, to the extent reasonably requested by the Administrative Agent, to receipt by the Administrative Agent of (i) customary legal opinions, board resolutions and officers' certificates consistent with those delivered on the Fourth Restatement Closing Date other than changes to such legal opinions resulting from a change in law, change in fact or change to counsels' forms of opinions reasonably satisfactory to the Administrative Agent, and (ii) reaffirmation agreements and/or such amendments to the Security Documents as may be reasonably requested by the Administrative Agent in order to ensure that such Credit Agreement Refinancing Debt is provided with the benefit of the applicable Loan Documents.

(c) Each issuance of Credit Agreement Refinancing Debt shall be in an aggregate principal amount that is (x) not less than $25,000,000, and (y) an integral multiple of $1,000,000.

(d) Each of the parties hereto hereby agrees that this Agreement and the other Loan Documents may be amended pursuant to a Refinancing Amendment, without the consent of any other Lenders, to the extent (but only to the extent) necessary to (i) reflect the existence and terms of the Credit Agreement Refinancing Debt incurred pursuant thereto, and (ii) effect such other amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, to effect the provisions of this Section 2.14, and the Required Lenders hereby expressly authorize the Administrative Agent to enter into any such Refinancing Amendment. Unless the Swingline Lender enters into the Refinancing Amendment for a Refinancing Revolving Facility, the Swingline Termination Date will not be extended to reflect the Refinancing Revolving Commitments in such Facility, the Refinancing Revolving Lenders with such Refinancing Revolving Commitments shall not participate in Swingline Loans, and the use of the terms "Revolving Commitments" and "Revolving Loans" in connection with the provisions of this Agreement governing Swingline Loans shall be deemed to exclude such Refinancing Revolving Commitments and Refinancing Revolving Loans. Unless the Issuing Bank enters into the Refinancing Amendment for a Refinancing Revolving Facility, the LC Termination Date will not be extended to reflect the Refinancing Revolving Commitments in such Facility, the Refinancing Revolving Lenders with such Refinancing Revolving Commitments shall not participate in Letters of Credit, and the use of the terms

"Revolving Commitments" and "Revolving Loans" in connection with the provisions of this Agreement governing Letters of Credit shall be deemed to exclude such Refinancing Revolving Commitments and Refinancing Revolving Loans.

Section 2.15. Extensions of Term Loans and Revolving Commitments.

(a) Notwithstanding anything to the contrary in this Agreement, pursuant to one or more offers (each, an "Extension Offer") made from time to time by the Borrower to all Lenders of Term Loans with a like Maturity Date or Revolving Commitments with a like Maturity Date, in each case on a pro rata basis (based on the aggregate outstanding principal amount of the respective Term Loans or Revolving Commitments with the same Maturity Date, as the case may be) and on the same terms to each such Lender, the Borrower may from time to time offer to extend the maturity date of any Term Loans and/or Revolving Commitments and otherwise modify the terms of such Term Loans and/or such Revolving Commitments pursuant to the terms of the relevant Extension Offer (including, without limitation, by changing the interest rate or fees payable in respect of such Term Loans and/or such Revolving Commitments (and related outstandings) and/or modifying the amortization schedule in respect of such Term Loans) (each, an "Extension", and each group of Term Loans or Revolving Commitments, as applicable, in each case as so extended, as well as the original Term Loans and the original Revolving Commitments (in each case not so extended), being a separate Class; any Extended Term Loans shall constitute a separate Class of Term Loans from the Class of Term Loans from which they were converted, and any Extended Revolving Commitments shall constitute a separate Class of Revolving Commitments from the Class of Revolving Commitments from which they were converted), so long as the following terms are satisfied: (1) no Default shall have occurred and be continuing at the time an Extension Offer is delivered to the Lenders, (1) except as to pricing (including interest rate margins, rate floors, fees, premiums and funding discounts) and final maturity, the Revolving Commitment of any Revolving Lender (an "Extending Revolving Lender") extended pursuant to an Extension (an "Extended Revolving Commitment"), and the related outstandings, shall be a Revolving Commitment (or related outstandings, as the case may be) with the same terms as the applicable original Revolving Commitments (and related outstandings); provided that at no time shall there be Revolving Commitments hereunder (including Extended Revolving Commitments and any original Revolving Commitments) which have more than three different Maturity Dates, (1) except as to pricing (including interest rate margin, rate floors, fees, premiums and funding discounts), amortization, final maturity date, required prepayment dates and participation in prepayments (which shall, subject to immediately succeeding clauses (iv), (v) and (vi), be determined by the Borrower and set forth in the relevant Extension Offer), the Term Loans of any Term Lender (an "Extending Term Lender") extended pursuant to any Extension ("Extended Term Loans") shall be not materially more favorable, taken as a whole, including with respect to covenants and events of default, to the Extending Term Lender, in the good faith determination of the Borrower and the Administrative Agent, as the Class of Term Loans subject to such Extension Offer, (1) the final maturity date of any Extended Term Loans shall be no earlier than the Existing Facility Maturity Date, (1) the Weighted Average Life to Maturity of any Extended Term Loans shall be no shorter than the remaining Weighted Average Life to Maturity of the Term Loans extended thereby, (1) any Extended Term Loans and Extended Revolving Loans may participate on a pro rata basis or a less than pro rata basis (but not greater than a pro rata basis) in any mandatory repayments or prepayments

hereunder, in each case as specified in the respective Extension Offer, (1) if the aggregate principal amount of applicable Term Loans (calculated on the face amount thereof) or applicable Revolving Commitments, as the case may be, in respect of which applicable Term Lenders or applicable Revolving Lenders, as the case may be, shall have accepted the relevant Extension Offer (as hereinafter provided) shall exceed the maximum aggregate principal amount of applicable Term Loans or applicable Revolving Commitments, as the case may be, offered to be extended by the Borrower pursuant to such Extension Offer, then the applicable Term Loans or applicable Revolving Loans, as the case may be, of the applicable Term Lenders or applicable Revolving Lenders, as the case may be, shall be extended ratably up to such maximum amount based on the respective principal amounts (but not to exceed actual holdings of record) with respect to which such Term Lenders or such Revolving Lenders, as the case may be, have accepted such Extension Offer (as hereinafter provided), (1) any Extended Term Loans and Extended Revolving Loans may be secured by the Collateral securing the Loans being extended thereby and with the same priority as the Loans being extended thereby, (1) all documentation in respect of such Extension shall be consistent with the foregoing, and (1) any applicable Minimum Extension Condition shall be satisfied unless waived by the Borrower. Following any such Extension Offer, the Administrative Agent shall notify the applicable Lenders thereof, each of whom shall, in its sole discretion, determine whether or not to accept such Extension Offer.

(b) With respect to all Extensions accepted by the relevant Lenders and consummated by the Borrower pursuant to this Section 2.15, (i) such Extensions shall not constitute voluntary or mandatory payments or prepayments for purposes of Sections 2.6 or 2.7, and (ii) no Extension Offer is required to be in any minimum amount or any minimum increment; provided that the Borrower may at its election specify as a condition (a "Minimum Extension Condition") to consummating any such Extension that a minimum amount (to be determined and specified in the relevant Extension Offer in the Borrower's sole discretion and which may be waived by the Borrower) of Term Loans or Revolving Commitments (as applicable) of any or all applicable Classes be tendered. The Administrative Agent and the Lenders hereby consent to the Extensions and the other transactions contemplated by this Section 2.15 (including, for the avoidance of doubt, payment of any interest, fees or premium in respect of any Extended Term Loans and/or Extended Revolving Commitments on such terms as may be set forth in the relevant Extension Offer) and hereby waive the requirements of any provision of this Agreement (including, without limitation, Sections 2.6, 2.7 and 2.11) or any other Loan Document that may otherwise prohibit any such Extension or any other transaction contemplated by this Section 2.15.

(c) The Lenders hereby irrevocably authorize the Administrative Agent to enter into amendments to this Agreement and the other Loan Documents with the Borrower as may be necessary in order to establish new Classes or sub-Classes in respect of Revolving Commitments or Term Loans so extended and such technical amendments as may be necessary or appropriate in the reasonable opinion of the Administrative Agent and the Borrower in connection with the establishment of such new Classes or sub-Classes, in each case on terms consistent with this Section 2.15. Notwithstanding the foregoing, the Administrative Agent shall have the right (but not the obligation) to seek the advice or concurrence of the Required Lenders with respect to any matter contemplated by this Section 2.15(c) and, if the Administrative Agent seeks such advice or concurrence, it shall be permitted to enter into such amendments with the Borrower in accordance

with any instructions actually received by the Administrative Agent from Required Lenders and shall also be entitled to refrain from entering into such amendments with the Borrower unless and until it shall have received such advice or concurrence; provided, however, that whether or not there has been a request by the Administrative Agent for any such advice or concurrence, all such amendments entered into with the Borrower by the Administrative Agent hereunder shall be binding and conclusive on the Lenders. Without limiting the foregoing, in connection with any Extensions the respective Loan Parties shall (at their expense) amend (and the Administrative Agent is hereby directed to amend) any Mortgage that has a maturity date prior to the then Latest Maturity Date so that such maturity date is extended to the then Latest Maturity Date (or such later date as may be advised by local counsel to the Administrative Agent).

(d) In connection with any Extension, the Borrower shall provide the Administrative Agent at least fifteen (15) Business Days' (or such shorter period as may be agreed by the Administrative Agent) prior written notice thereof, and shall agree to such procedures, if any, as may be established by, or acceptable to, the Administrative Agent, in each case acting reasonably to accomplish the purposes of this Section 2.15.

(e) Notwithstanding the foregoing provisions of this Section 2.15 and, for the avoidance of doubt, no Lender shall have such Lender's Commitment or Loans extended without the written consent of such Lender. Unless the Swingline Lender enters into the Extension Amendment for an Extended Revolving Facility, the Swingline Termination Date will not be extended to reflect the Extended Revolving Commitments in such Facility, the Extending Revolving Lenders with such Extended Revolving Commitments shall not participate in Swingline Loans, and the use of the terms "Revolving Commitments" and "Revolving Loans" in connection with the provisions of this Agreement governing Swingline Loans shall be deemed to exclude such Extended Revolving Commitments and Extended Revolving Loans. Unless the Issuing Bank enters into the Extension Amendment for an Extended Revolving Facility, the LC Termination Date will not be extended to reflect the Extended Revolving Commitments in such Facility, the Extending Revolving Lenders with such Extended Revolving Commitments shall not participate in Letters of Credit, and the use of the terms "Revolving Commitments" and "Revolving Loans" in connection with the provisions of this Agreement governing Letters of Credit shall be deemed to exclude such Extended Revolving Commitments and Extended Revolving Loans.

ARTICLE 3

INTEREST, FEES, YIELD PROTECTION, ETC.

Section 3.1. Interest

(a) The Existing Facility Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate plus the Applicable Margin. The Existing Facility Loans comprising each Eurodollar Borrowing shall bear interest at the LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Margin. The Loans comprising each Swingline Borrowing shall bear interest at the Alternate Base Rate plus the Applicable Margin for the Swingline Interest Period in effect for such Borrowing. Subject to Section 2.13(e), the Term B Loans

comprising each ABR Borrowing shall bear interest at a rate per annum equal to (1) the Applicable Margin plus (1) the higher of the Alternate Base Rate and the ABR Floor. Subject to Section 2.13(e), the Term B Loans comprising each Eurodollar Borrowing shall bear interest at a rate per annum equal to (1) the Applicable Margin plus (1) the higher of the LIBO Rate and the LIBO Floor. Each Incremental Term Loan, Refinancing Revolving Loan, Refinancing Term Loan, Extended Revolving Loan and Extended Term Loan shall bear interest at the rate set forth in the applicable Facility Amendment.

(b) Notwithstanding the foregoing, if any principal of or interest on any Loan, any reimbursement obligation in respect of any LC Disbursement or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to 2% plus the rate applicable to ABR Borrowings of the applicable Loans as provided in the preceding paragraph of this Section. In addition, notwithstanding the foregoing, if an Event of Default under Sections 8(a), (b), (h), (i) or (j) has occurred and is continuing, then, so long as such Event of Default is continuing, all outstanding principal of each Loan and all unreimbursed reimbursement obligations in respect of all LC Disbursements shall, without duplication of amounts payable under the preceding sentence, bear interest, after as well as before judgment, at a rate per annum equal to 2% plus the rate otherwise applicable to such Loan or LC Disbursement, as the case may be, as provided in the preceding paragraph of this Section. In addition, notwithstanding the foregoing, if an Event of Default (other than an Event of Default under Sections 8(a), (b), (h), (i) or (j)) has occurred and is continuing, then, if the Administrative Agent or Lenders holding more than 50% of the Total Credit Exposure of all Lenders of all Classes affected thereby, taken as a whole, request, so long as such Event of Default is continuing, all outstanding principal of each Loan and all unreimbursed reimbursement obligations in respect of all LC Disbursements shall, without duplication of amounts payable under the preceding sentence, bear interest, after as well as before judgment, at a rate per annum equal to 2% plus the rate otherwise applicable to such Loan or LC Disbursement, as the case may be, as provided in the preceding paragraph of this Section.

(c) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan, provided that (i) interest accrued pursuant to paragraph (b) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment, and (iii) in the event of any conversion of any Eurodollar Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(d) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate and the applicable LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent demonstrable error.

Section 3.2. Interest Elections

(a) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request or designated by Section 2.3 and, in the case of a Eurodollar Borrowing, shall have an initial Interest Period as specified in such Borrowing Request or designated by Section 2.3. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the applicable Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. This Section shall not apply to Swingline Borrowings, which may not be converted or continued.

(b) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election by telephone or e-mail by the time that a Borrowing Request would be required under Section 2.3 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic or e-mail Interest Election Request shall be irrevocable and shall be confirmed by no later than 3:00 p.m., New York City time, on the date of such request by hand delivery, e-mail or facsimile to the Administrative Agent of a copy of a written Interest Election Request signed by the Borrower.

(c) Each telephonic, e-mail and written Interest Election Request shall specify the following information:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) of this paragraph shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term “Interest Period”.

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month’s duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each applicable Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period, such Borrowing shall be converted to a Eurodollar Borrowing with an Interest Period of one month. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Lenders holding more than 50% of the Total Credit Exposure of all Classes affected thereby, taken as a whole, so notifies the Borrower, then, with respect to each such Class, so long as an Event of Default is continuing, (i) no outstanding Borrowing may be converted to or continued as a Eurodollar Borrowing and (ii) unless repaid, each Eurodollar Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

Section 3.3. Fees

(a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender having a Revolving Commitment under the Existing Revolving Facility, a commitment fee, which shall accrue at a rate per annum equal to the Commitment Fee Rate on the daily amount of such unused Revolving Commitment (provided that Swingline Loans shall not be deemed to be a use of the Revolving Commitments for the purpose of the calculation of such commitment fee) during the period from and including the Fourth Restatement Closing Date to but excluding the date on which such Revolving Commitment terminates (it being understood that LC Exposure constitutes a use of the Revolving Commitment). Accrued commitment fees and undrawn fees shall be payable in arrears on the last day of March, June, September and December of each year, each date on which the applicable Commitments are permanently reduced and on the date on which the applicable Commitments terminate, commencing on the first such date to occur after the Fourth Restatement Closing Date. All commitment fees and undrawn fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) The Borrower agrees to pay to (i) the Administrative Agent for the account of each Revolving Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at rate per annum equal to the Applicable Margin (with respect to Eurodollar Borrowings) on the daily amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Fourth Restatement Closing Date to but excluding the later of the date on which such Lender's Revolving Commitment terminates and the date on which such Lender ceases to have any LC Exposure and (ii) to the Issuing Bank for its own account a fronting fee, which shall accrue at a rate per annum equal to 0.25% on the daily amount of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) with respect to each Letter of Credit during the period from and including the Fourth Restatement Closing Date to but excluding the later of the date of termination of the Revolving Commitments and the date on which there ceases to be any such LC

Exposure, as well as the Issuing Bank's standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Accrued participation fees and fronting fees shall be payable in arrears on the last day of March, June, September and December of each year, commencing on the first such date to occur after the Fourth Restatement Closing Date; provided that all such fees shall be payable on the date on which the Revolving Commitments terminate and any such fees accruing after the date on which the Revolving Commitments terminate shall be payable on demand. Any other fees payable to the Issuing Bank pursuant to this paragraph shall be payable within ten days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(c) The Borrower agrees to pay to each Credit Party, for its own account, the fees and other amounts payable in connection herewith in the amounts and at the times separately agreed upon between the Borrower and such Credit Party.

(d) All fees and other amounts payable hereunder shall be paid on the dates due, in immediately available funds to the Administrative Agent for distribution, in the case of commitment fees, undrawn fees, and participation fees, to the Lenders. Fees paid hereunder shall not be refundable under any circumstances.

Section 3.4. Alternate Rate of Interest

If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the LIBO Rate, as applicable, for such Interest Period; or

(b) the Administrative Agent is advised by the Required Lenders that the LIBO Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining its Loan included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone or facsimile as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist (and the Administrative Agent shall give such notice promptly upon having actual knowledge that such circumstances no longer exist), (i) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Borrowing shall be ineffective, and (ii) if any Borrowing Request requests a Eurodollar Borrowing, such Borrowing shall be made as an ABR Borrowing.

Section 3.5. Increased Costs; Illegality

(a) If any Change in Law shall:

(i) subject any Lender to any tax of any kind whatsoever with respect to this Agreement, any Eurodollar Loans made by such Credit Party or any Letter of Credit or participations therein, or change the basis of taxation of payments to such Lender in respect thereof (other than relating to Taxes, which shall be governed exclusively by Section 3.7, or the imposition of, or any change in the rate of, any Excluded Taxes payable by a Credit Party);

(ii) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Credit Party; or

(iii) impose on any Credit Party or the London interbank market any other condition affecting this Agreement, any Eurodollar Loans made by such Credit Party or any Letter of Credit or participations therein,

and the result of any of the foregoing shall be to increase the cost to such Credit Party, by an amount which such Credit Party reasonably deems to be material, of making or maintaining any Eurodollar Loan or the cost to such Credit Party, by an amount which such Credit Party reasonably deems to be material, of issuing, participating in or maintaining any Letter of Credit hereunder or to increase the cost to such Credit Party or to reduce the amount of any sum received or receivable by such Credit Party, by an amount which such Credit Party reasonably deems to be material, hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Credit Party such additional amount or amounts as will compensate such Credit Party for such additional costs incurred or reduction suffered.

(b) If any Credit Party determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Credit Party's capital or on the capital of such Credit Party's holding company, if any, as a consequence of this Agreement or the Loans made, the Letters of Credit issued or the participations therein held, by such Credit Party to a level below that which such Credit Party or such Credit Party's holding company could have achieved but for such Change in Law (taking into consideration such Credit Party's policies and the policies of such Credit Party's holding company with respect to liquidity or capital adequacy), by an amount reasonably deemed by such Credit Party to be material, then from time to time the Borrower will pay to such Credit Party such additional amount or amounts as will compensate such Credit Party or such Credit Party's holding company for any such reduction suffered.

(c) A certificate of a Credit Party setting forth in reasonable detail the calculation of the amount or amounts necessary to compensate such Credit Party or its holding company, as applicable, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Credit Party the amount shown as due on any such certificate within 10 Business Days after receipt thereof.

(d) Failure or delay on the part of any Credit Party to demand compensation pursuant to this Section shall not constitute a waiver of such Credit Party's right to demand such compensation; provided that the Borrower shall not be required to compensate a Credit Party

pursuant to this Section for any increased costs or reductions incurred more than nine months prior to the date that such Credit Party notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Credit Party's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine month period referred to above shall be extended to include the period of retroactive effect thereof.

(e) Notwithstanding any other provision of this Agreement, if, after the Fourth Restatement Closing Date any Change in Law shall make it unlawful for any Lender to make or maintain any Eurodollar Loan or to give effect to its obligations as contemplated hereby with respect to any Eurodollar Loan, then, by written notice to the Borrower and to the Administrative Agent:

(i) such Lender may declare that Eurodollar Loans will not thereafter (for the duration of such unlawfulness) be made by such Lender hereunder (or be continued for additional Interest Periods) and ABR Loans will not thereafter (for such duration) be converted into Eurodollar Loans, whereupon any request for a Eurodollar Borrowing or to convert an ABR Borrowing to a Eurodollar Borrowing or to continue a Eurodollar Borrowing, as applicable, for an additional Interest Period shall, as to such Lender only, be deemed a request for an ABR Loan (or a request to continue an ABR Loan as such for an additional Interest Period or to convert a Eurodollar Loan into an ABR Loan, as applicable), unless such declaration shall be subsequently withdrawn; and

(ii) such Lender may require that all outstanding Eurodollar Loans made by it be converted to ABR Loans, in which event all such Eurodollar Loans shall be automatically converted to ABR Loans, as of the effective date of such notice as provided in the last sentence of this paragraph.

In the event any Lender shall exercise its rights under (i) or (ii) of this paragraph, all payments and prepayments of principal that would otherwise have been applied to repay the Eurodollar Loans that would have been made by such Lender or the converted Eurodollar Loans of such Lender shall instead be applied to repay the ABR Loans made by such Lender in lieu of, or resulting from the conversion of, such Eurodollar Loans, as applicable. For purposes of this paragraph, a notice to the Borrower by any Lender shall be effective as to each Eurodollar Loan made by such Lender, if lawful, on the last day of the Interest Period currently applicable to such Eurodollar Loan; in all other cases such notice shall be effective on the date of receipt by the Borrower.

Section 3.6. Break Funding Payments

In the event of (a) the payment or prepayment (voluntary or otherwise) of any principal of any Eurodollar Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto, or (c) the failure by the Borrower to borrow, convert, continue or prepay any Eurodollar Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.7(g) and is revoked in accordance therewith), then, in any such event, the Borrower shall compensate each applicable Lender in an amount equal to the excess, if any, of (i) the amount of interest that would

have accrued on the principal amount of such Loan had such event not occurred, at the LIBO Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan) excluding, however, the Applicable Margin included therein, if any, over (ii) the amount of interest (as reasonably determined by such Lender) that would accrue on such principal amount for such period at the interest rate that such Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the eurodollar market. A certificate of any Lender setting forth in reasonable detail the calculations of any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

Section 3.7. Taxes

(a) Any and all payments by or on account of any obligation of any Loan Party hereunder and under any other Loan Document shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes, provided that, if such Loan Party shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that, after making all required deductions (including deductions applicable to additional sums payable under this Section), the applicable Credit Party receives an amount equal to the sum it would have received had no such deductions been made, (ii) such Loan Party shall make such deductions and (iii) such Loan Party shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Loan Parties shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrower shall indemnify each Credit Party, within ten days after written demand therefor (which demand shall set forth the amount and the reasons therefor in reasonable detail), for the full amount of any Indemnified Taxes or Other Taxes (whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority) paid by such Credit Party on or with respect to any payment by or on account of any obligation of any Loan Party under the Loan Documents (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable out-of-pocket expenses arising therefrom or with respect thereto (in the event that the Borrower is not in default of its obligations under this Section 3.7, excluding penalties and interest to the extent attributable to the actions or omissions of such Credit Party), whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate setting forth the amount of such payment or liability and the reasons therefor in reasonable detail delivered to the Borrower by a Credit Party, or by the Administrative Agent on its own behalf or on behalf of a Credit Party, shall be conclusive absent manifest error. If the Borrower reasonably believes that Indemnified Taxes or Other Taxes were not correctly or legally asserted, the applicable Credit Party or Transferee will reasonably cooperate with the Borrower to obtain a refund of such Indemnified Taxes or Other Taxes for the

benefit of the Borrower, provided that the Borrower shall reimburse the applicable Credit Party for reasonable out-of-pocket expenses arising from such cooperation. Each Credit Party agrees that promptly after it receives written notice of any Indemnified Taxes or Other Taxes imposed or asserted on it, it shall endeavor to give notice thereof to the Borrower, provided that such Credit Party shall have no liability to the Borrower for the failure to give any such notice.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the a copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the relevant Loan Party is located, or under any treaty to which such jurisdiction is a party, with respect to payments under the Loan Documents shall deliver to the Borrower (with a copy to the Administrative Agent), such properly completed and executed documentation prescribed by applicable law and reasonably requested by the Borrower from time to time as will permit such payments to be made without withholding or at a reduced rate.

(f) Without limiting the generality of the foregoing, (i) each Lender that is not a United States person (as such term is defined in Section 7701(a)(30) of the Code) (a "Non-US Lender") shall to the extent it is legally able to do so deliver to the Borrower and the Administrative Agent (or, in the case of a Participant, to the Borrower and to the Lender from which the related participation shall have been purchased) (A) two accurate and complete copies of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, (B) two accurate and complete copies of IRS Form W-8ECI, (C) in the case of a Non-US Lender claiming exemption from United States federal withholding Tax under Section 881(c) of the Code with respect to payments of "portfolio interest," (x) a certificate to the effect that such Non-US Lender is not (1) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (2) a "10 percent shareholder" of the Borrower within the meaning of Sections 871(h)(3)(B) and 881(c)(3)(B) of the Code, or (3) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "US Tax Compliance Certificate"), and (y) duly completed copies of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, (D) to the extent a Non-US Lender is not the beneficial owner, two duly executed originals of IRS Form W-8IMY, accompanied by IRS Forms W-8ECI, IRS Form W-8BEN or IRS Form W-8BEN-E as applicable, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Non-US Lender is a partnership and one or more direct or indirect partners of such Non-US Lender are claiming the portfolio interest exception, such Non-US Lender shall provide a US Tax Compliance Certificate on behalf of each such direct and indirect partner, or (E) any subsequent versions or successors to such forms, in each case properly completed and duly executed by such Non-US Lender claiming complete exemption from, or a reduced rate of, United States federal withholding Tax on all payments by the Borrower or any Loan Party under any Loan Document, and (ii) each Lender (and, in the case of a non-United States pass-through entity, each of its beneficial owners) that is a United States person (as such term is defined in Section 7701(a)(30) of the Code) shall deliver to the Borrower and the Administrative Agent two

accurate and complete copies of IRS Form W-9, or any subsequent versions or successors to such form. The forms referred to in clauses (i) and (ii) shall be delivered by each Lender on or before the date it becomes a party to this Agreement (or, in the case of any Participant, on or before the date such Participant purchases the related participation). In addition, each Lender shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Lender. Each Lender shall promptly notify the Borrower at any time it determines that it is no longer in a position to provide any previously delivered certificate to the Borrower (or any other form of certification adopted by the United States taxing authorities for such purpose).

(g) If a Credit Party determines, in its sole discretion, that it has received a refund of or credit against any Taxes or Other Taxes as to which it has been indemnified by a Loan Party or with respect to which a Loan Party has paid additional amounts pursuant to this Section 3.7, it shall pay to the Loan Party an amount equal to such refund or credit (but only to the extent of indemnity payments made, or additional amounts paid, by the Loan Party under this Section 3.7 with respect to Taxes or Other Taxes giving rise to such refund or credit), net of all out-of-pocket expenses of the Credit Party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund or credit); provided that the Loan Party, upon the request of the Credit Party agrees to repay the amount paid over to the Loan Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Credit Party in the event the Credit Party is required to repay such refund to such Governmental Authority. This paragraph shall not be construed to require the Credit Party to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Loan Party or any other Person.

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

Section 3.8. Mitigation Obligations

If any Credit Party requests compensation under Section 3.5, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Credit Party pursuant to Section 3.7, then such Credit Party shall use reasonable efforts to designate a different lending office for funding or booking its Loans or Letters of Credit (or any participation therein) hereunder or to assign its rights and obligations hereunder to another of its

offices, branches or affiliates, if, in the good faith judgment of such Credit Party, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Sections 3.5 or 3.7, as applicable, in the future and (ii) would not subject such Credit Party to any unreimbursed cost or expense and would not otherwise be materially disadvantageous to such Credit Party. The Borrower hereby agrees to pay all reasonable costs and out of pocket expenses incurred by any Credit Party in connection with any such designation or assignment.

Section 3.9. Replacement of Lenders

If (i) any Credit Party requests compensation under Section 3.5, or the Borrower is required to pay any additional amount to any Credit Party or any Governmental Authority for the account of any Credit Party pursuant to Section 3.7, (ii) any Lender with an unused Commitment is a Defaulting Lender, or (iii) any Lender notifies the Borrower pursuant to Section 3.5(e) that it is unlawful for such Lender to make or maintain Eurodollar Loans, then the Borrower may, at its sole expense and effort, upon notice to such Credit Party and the Administrative Agent, require such Credit Party to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 10.4), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Credit Party, if a Credit Party accepts such assignment); provided that (a) the Borrower shall have received the prior written consent of the Administrative Agent (and if a Revolving Commitment is being assigned, the Issuing Bank and the Swingline Bank), which consents shall not unreasonably be withheld, conditioned or delayed, (b) such Credit Party shall have received payment of an amount equal to the outstanding principal of its Loans and funded participations in LC Disbursements, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts), (c) unless the Administrative Agent otherwise agrees, the Borrower, the Defaulting Lender (if any) or such assignee shall have paid to the Administrative Agent the processing and recordation fee specified in Section 10.4(b), and (d) in the case of any such assignment resulting from a claim for compensation under Section 3.5 or payments required to be made pursuant to Section 3.7, such assignment will result in a reduction in such compensation or payments. A Credit Party shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Credit Party or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES

The Parent represents and warrants to the Credit Parties that:

Section 4.1. Organization; Powers

Each of the Parent, the Borrower and the Subsidiaries (other than NMTC Subsidiaries to the extent not reasonably expected to result in a Material Adverse Effect) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite corporate or other organizational power and authority to carry on its business as now

conducted and, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required by applicable law.

Section 4.2. Authorization; Enforceability

The Transactions to be entered into by each Loan Party are within the corporate, partnership or other analogous powers of such Loan Party to the extent it is a party thereto and have been duly authorized by all necessary corporate, partnership or other analogous and, if required, equity holder action. Each Loan Document has been duly executed and delivered by each Loan Party to the extent it is a party thereto and constitutes a legal, valid and binding obligation thereof, enforceable against such Loan Party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law) and the implied covenants of good faith and fair dealing.

Section 4.3. Governmental Approvals; No Conflicts

The Transactions (i) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except (a) such as have been or prior to or concurrently with the consummation of the Transactions will be obtained or made and are or prior to or concurrently with the consummation of the Transactions will be in full force and effect (except such consents, approvals, registrations or filings which will be required at the time, if any, of the exercise of remedies under the Loan Documents by the Administrative Agent and the Lenders), (b) notices, if any, required to be filed with the FCC or any applicable State PUC after the consummation of the Transactions and (c) consents, approvals, registrations, filings or actions which the failure to obtain or make would not reasonably be expected to result in a Material Adverse Effect, (ii) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of the Parent, the Borrower or any Subsidiary (other than NMTC Subsidiaries to the extent not reasonably expected to result in a Material Adverse Effect) or any order of any Governmental Authority (subject to compliance with any applicable law or regulation which, upon the exercise of remedies hereunder by the Administrative Agent and the Lenders, requires filing with or approval of a Governmental Authority), except, in the case of any such applicable law or regulation, for such violations that would not reasonably be expected to result in a Material Adverse Effect, (iii) will not violate or result in a default under any material indenture, agreement or other instrument binding upon the Parent, the Borrower or any Subsidiary or its assets (other than the Loan Documents), or give rise to a right thereunder to require any payment to be made by the Parent, the Borrower or any Subsidiary, or result in a default under any indenture for the Senior Notes, except for such violations, defaults and payments that would not reasonably be expected to result in a Material Adverse Effect and (iv) will not result in the creation or imposition of any Lien on any asset of the Parent, the Borrower or any of the Subsidiaries (other than NMTC Subsidiaries to the extent not reasonably expected to result in a Material Adverse Effect), other than, with respect to each Loan Party, Liens permitted by Section 7.2 and each Security Document to which such Loan Party is a party.

Section 4.4. Financial Condition

The Parent has heretofore furnished to the Administrative Agent and the Lenders the following:

(a) the consolidated balance sheets and related consolidated statements of income, cash flows and shareholders' equity of (i) the Parent and its subsidiaries and (ii) the Borrower and the Subsidiaries, each as of and for the fiscal year ended December 31, 2013, reported on by Grant Thornton LLP, a registered independent public accounting firm; and

(b) with respect to the Borrower and the Subsidiaries, forecasts of financial performance through and including the fourth anniversary of the Fourth Restatement Closing Date (the "Forecasts").

The financial statements referred to above (other than the Forecasts) present fairly, in all material respects, the financial position and results of operations and cash flows of such Persons as of such dates and for the indicated periods in accordance with GAAP, subject in the case of the quarter-end statements to year-end audit adjustments and the absence of footnotes. The Forecasts have been prepared in good faith by the Parent and based on assumptions believed to be reasonable at the time they were made, it being understood that forecasts by their nature are uncertain and no assurance is being given that the results reflected in such forecasted financial information will be achieved. Since December 31, 2013, there has been no material adverse change in the business, assets, operations or financial condition of the Borrower and the Subsidiaries taken as a whole.

Section 4.5. Properties

(a) Each of the Parent, the Borrower and the Subsidiaries has good title to, or valid leasehold interests in, all its real and tangible personal property, except as would not reasonably be expected to have a Material Adverse Effect.

(b) Each of the Parent, the Borrower and the Subsidiaries owns, or is entitled to use, all United States trademarks, trade names, copyrights, patents and trade secrets material to its business, and the use thereof by the Parent, the Borrower and the Subsidiaries does not infringe upon the rights of any other Person, except for any such failure to own or be entitled to use or infringements that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

Section 4.6. Litigation and Environmental Matters

(a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Parent, threatened against (i) the Parent or any of its subsidiaries that would reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect (other than the Disclosed Matters) or (ii) the Parent, the Borrower or any of the Subsidiaries that relate to the execution, delivery, validity or enforceability of any Loan Document or the performance of any of the Transactions by any of the parties thereto.

(b) Except for the Disclosed Matters and except with respect to any other matters that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, neither the Parent nor any of its subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received written notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

Section 4.7. Compliance with Laws and Agreements

Each of the Parent and its subsidiaries is in compliance with all laws, regulations (including the Communications Act and State Law) and orders of any Governmental Authority (including the FCC and State PUCs) applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except, in each case, where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect. No Default has occurred and is continuing.

Section 4.8. Franchises, FCC, State PUC and Certain Copyright Matters

(a) The Borrower and each Subsidiary possesses, or has the right to use, all Authorizations, and possesses, or has rights under, agreements with public utilities and microwave transmission companies, satellite communications companies, pole attachment, use access or rental agreements and utility easements, including all licenses and permits, to: (i) operate the Communications Business, except to the extent the absence thereof or failure to be in compliance therewith would not reasonably be expected to have a Material Adverse Effect, and (ii) consummate the Transactions. The Borrower and the Subsidiaries are in compliance with all such Authorizations, agreements, easements, licenses and permits with no known conflict with the valid rights of others, except to the extent such noncompliance or conflict would not reasonably be expected to have a Material Adverse Effect. No event has occurred which would permit the revocation or termination of any such Authorization, right, agreement, easement, license or permit which would reasonably be expected to have a Material Adverse Effect.

(b) The Parent and each subsidiary thereof (i) have each duly and timely filed or caused to be filed (A) all registration statements for the operation of the Communications Business and other filings which are required to be filed under the Communications Act and under State Law applicable to them and the Transactions, and (B) all reports, applications, documents, instruments and information required to be filed (1) with the FCC and State PUCs, as applicable, pursuant to all FCC rules, regulations and requests and State Law applicable to them, or (2) pursuant to any Authorization, in each case, the failure of which to file would reasonably be expected to have a Material Adverse Effect, and (ii) is in compliance with the Communications Act and State Law (including, the rules and regulations of the FCC and State PUCs) and all Authorizations, the failure with which to comply would reasonably be expected to have a Material Adverse Effect. The Parent and each subsidiary thereof has recorded or deposited with and paid to the United States Copyright Office and the Register of Copyrights all notices, statements of account, royalty fees and other documents and instruments required under the Copyright Act, the failure of which to record, deposit or pay would reasonably be expected to have a Material Adverse Effect. To the knowledge of the

Parent, as of the Fourth Restatement Closing Date neither the Borrower nor any Subsidiary (other than NMTC Subsidiaries to the extent not reasonably expected to result in a Material Adverse Effect) has any material liability to any Person for copyright infringement under the Copyright Act as a result of its business operations.

(c) The Borrower and the Subsidiaries own or lease all of the property, plant and equipment necessary to operate the Communications Business.

(d) As of the Fourth Restatement Closing Date, the Borrower and the Subsidiaries, collectively, hold all material Authorizations required in connection with the Transactions and with the operation of the Communications Business and each such Authorization is validly issued and in full force and effect, unimpaired in any material respect by any act or omission by the Borrower or any Subsidiary. All such Authorizations are renewable by their terms or in the ordinary course of business without the need to (i) comply with any special qualification procedures not otherwise generally applicable to providers of one or more services similar to the Communications Business in the State of Alaska, or (ii) to pay any amounts other than immaterial amounts, routine fees, and amounts in respect of rebuild obligations, except to the extent such renewal would not reasonably be expected to have a Material Adverse Effect.

(e) To the best of the Parent's knowledge, except as set forth in Schedule 4.8, neither the Parent nor any subsidiary thereof is a party to any investigation, notice of violation, order or complaint issued by or before the FCC, any State PUC or any Franchise authority which would reasonably be expected to have a Material Adverse Effect. Except for such proceedings that affect the communications industry or the other businesses of the Parent and its subsidiaries generally or as set forth in Schedule 4.8, there are no proceedings by or before the FCC, any State PUC or any Franchise authority which would reasonably be expected to have a Material Adverse Effect. Except as set forth in Schedule 4.8, the Parent has no knowledge of (i) any impending or threatened investigation, notice of violation, order, complaint or proceeding before the FCC, any State PUC or any Franchise authority that would reasonably be expected to have a Material Adverse Effect, (ii) any pending or threatened non-renewal, expiration, termination or revocation of any Authorization that would reasonably be expected to have a Material Adverse Effect, or (iii) has any reasonable basis to expect that any Authorization the absence of which, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect, will not be renewed in the ordinary course.

Section 4.9. Investment Company Status

None of the Parent, the Borrower nor any of the Subsidiaries (other than NMTC Subsidiaries to the extent not reasonably expected to result in a Material Adverse Effect) is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

Section 4.10. Taxes

Each of the Parent, the Borrower and the Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all

Taxes required to have been paid by it, except (i) Taxes that are being contested in good faith by appropriate proceedings and for which the Parent, the Borrower or such Subsidiary, as applicable, has set aside on its books adequate reserves to the extent required by GAAP or (ii) to the extent that the failure to do so would not reasonably be expected to result in a Material Adverse Effect.

Section 4.11. ERISA

No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, would reasonably be expected to result in a Material Adverse Effect. The present value of all accumulated benefit obligations under each Plan (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than $1,000,000 the fair market value of the assets of such Plan, and the present value of all accumulated benefit obligations of all underfunded Plans (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than $1,000,000 the fair market value of the assets of all such underfunded Plans.

Section 4.12. Disclosure

As of the Fourth Restatement Closing Date, the Parent has disclosed to the Credit Parties all agreements, instruments and corporate or other restrictions to which it or the Borrower or any Subsidiary is subject, and all other matters known to it, that, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect. None of the reports, financial statements, certificates or other information concerning the Parent, the Borrower or any Subsidiary (other than the projections, budgets or other estimates, or information of a general economic or industry nature and, in the case of NMTC Subsidiaries, only to extent of the Parent's actual knowledge) furnished by or on behalf of the Parent, the Borrower or any Subsidiary to any Credit Party in connection with the negotiation of the Loan Documents or delivered thereunder (as modified or supplemented by other information so furnished), taken as a whole, contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not materially misleading; provided that, with respect to projected financial information, the Parent represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time they were made, it being understood that projections by their nature are uncertain and no assurance is being given that the results reflected in such projected financial information will be achieved.

Section 4.13. Subsidiaries

Schedule 4.13 sets forth, as of the Fourth Restatement Closing Date, the name of, the chief executive office of, and the ownership interest of (i) the Parent in the Borrower, and (ii) the Borrower in each of its subsidiaries (other than the NMTC Subsidiaries) and identifies each Subsidiary that is a Subsidiary Guarantor or an NMTC Subsidiary.

Section 4.14. Insurance

Schedule 4.14 sets forth a description of all insurance maintained by or on behalf of the Parent, the Borrower and the Subsidiaries (other than NMTC Subsidiaries) on the Fourth Restatement Closing Date. As of the Fourth Restatement Closing Date, all premiums in respect of such insurance that are due and payable have been paid.

Section 4.15. Labor Matters

Except for the Disclosed Matters and except as would not be reasonably likely to result in a Material Adverse Effect, (i) there are no strikes, lockouts or slowdowns against the Borrower or any Subsidiary pending or, to the knowledge of the Borrower, threatened, (ii) the hours worked by and payments made to employees of the Borrower and the Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable Federal, state, local or foreign law dealing with such matters, (iii) all material payments due from the Borrower or any Subsidiary, or for which any claim may be made against the Borrower or any Subsidiary, on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as a liability on the books of the Borrower or such Subsidiary and (iv) the consummation of the Transactions will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement to which the Borrower or any Subsidiary is bound.

Section 4.16. Solvency

Immediately after the consummation of each Transaction on the Fourth Restatement Closing Date, (i) the fair value of the assets of the Borrower and the Subsidiaries, taken as a whole, at a fair valuation, will exceed their debts and liabilities, subordinated, contingent or otherwise; (ii) the present fair salable value of the property of the Borrower and the Subsidiaries, taken as a whole, will be greater than the amount that will be required to pay the probable liability of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (iii) each of the Borrower and the Subsidiary Guarantors will be able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (iv) each of the Borrower and the Subsidiary Guarantors will not have unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted following such date.

Section 4.17. Federal Reserve Regulations

None of the Parent, the Borrower nor any of the Subsidiaries (other than NMTC Subsidiaries) is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of buying or carrying Margin Stock. Immediately before and immediately after giving effect to the making of each Loan and the issuance of each Letter of Credit, Margin Stock will constitute less than 25% of the Borrower’s assets as determined in accordance with Regulation U.

Section 4.18. Use of Proceeds

The Borrower represents and warrants that it will use the proceeds of (a) the Revolving Loans, the Term B Loans and the Letters of Credit for purposes permitted by Section 6.14 and (b) each Incremental Term Loan, if any, in accordance with the Incremental Term Facility Amendment applicable thereto. No part of the proceeds of any Loan or any Letter of Credit has been or will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately (i) to purchase, acquire or carry any Margin Stock, or (ii) for any other purpose, in either case that entails a violation of any of the regulations of the Board, including Regulations T, U and X.

Section 4.19. Anti-Corruption Laws and Sanctions; Anti-Terrorism Laws

(a) The Borrower and the Parent each have implemented and maintains in effect policies and procedures designed to ensure compliance by the Parent, its Subsidiaries and their respective directors, officers and employees with Anti-Corruption Laws and applicable Sanctions, and the Parent, and its Subsidiaries and to the knowledge of the Parent its directors, officers and employees, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects and no Loan Party is knowingly engaged in any activity that could reasonably be expected to result in such Loan Party being designated as a Sanctioned Person. None of (a) the Parent, any of its Subsidiaries, or to the knowledge of the Parent or such Subsidiary any of their respective directors, officers or employees, or (b) to the knowledge of the Parent, any agent of the Parent or any Subsidiary that will in each case act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Borrowing or Letter of Credit, use of proceeds or other transactions contemplated by the Loan Documents will violate Anti-Corruption Laws or applicable Sanctions.

(b) Neither the making of the Loans hereunder nor the use of the proceeds thereof will violate the Patriot Act, the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 C.F.R., Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto or successor statute thereto. Each Loan Party and each of its Subsidiaries are in compliance in all material respects with the Patriot Act.

ARTICLE 5

CONDITIONS

Section 5.1. Initial Conditions.

This Agreement shall not become effective, and the Existing Credit Agreement shall remain in full force and effect, until the date (the "Fourth Restatement Closing Date") on which each of the following conditions is satisfied (or waived in accordance with Section 10.2):

(a) Restatement. The Administrative Agent (or its counsel) shall have received this Agreement, executed and delivered by (1) Required Lenders under and as defined in the Existing Credit Agreement, (1) all Term B Lenders, and (1) each Loan Party.

(b) Security Documents. The Administrative Agent shall have received (1) evidence in all respects satisfactory to it that Denali Media Holdings, Corp., an Alaska corporation, AWN and GCI Wireless have become parties to the Security Agreement as "Grantors" thereunder, and (1) each other Loan Document, executed and delivered by each Loan Party signatory thereto.

(c) Ownership Structure. The Administrative Agent shall have received a certificate of the Borrower, dated the Fourth Restatement Closing Date, attaching the organizational chart of GCI and all of its subsidiaries as of the Fourth Restatement Closing Date. The organizational structure of GCI on the Fourth Restatement Closing Date shall be satisfactory to the Administrative Agent.

(d) Pro Forma Balance Sheet. The Administrative Agent shall have received a consolidated pro forma balance sheet for the Parent reflecting the Transactions (based on the projections previously delivered to the Lenders), and reasonably detailed projections of the Financial Covenants for four years.

(e) Fees. The Arrangers shall have received on or before the Fourth Restatement Closing Date all fees required to be paid by the Borrower (including those to be passed on to the Lenders), and all reasonable out-of-pocket expenses required to be paid by the Borrower (including reasonable fees, disbursements and other charges of counsel to the Administrative Agent and the Arrangers).

(f) Solvency Certificate. The Administrative Agent shall have received a solvency certificate signed by a Financial Officer on behalf of the Borrower substantially in the form of Exhibit H.

(g) Lien Searches. The Administrative Agent shall have received the results of a recent lien search in each of the jurisdictions in which Uniform Commercial Code financing statements, or other filings or recordations should be made to evidence or perfect security interests in the Collateral, and such search shall reveal no liens on any of the Collateral, except for Liens permitted by Section 7.2 or liens to be discharged prior to or on the Fourth Restatement Closing Date.

(h) Closing Certificate. The Administrative Agent shall have received a certificate of each of the Loan Parties, dated the Fourth Restatement Closing Date, substantially in the form of Exhibit F, with appropriate insertions and attachments.

(i) Financial Officer Certificate. The Administrative Agent shall have received a certificate of the Parent, dated the Fourth Restatement Closing Date and signed by a Financial Officer of the Parent: (1) setting forth reasonably detailed calculations demonstrating that (A) the Total Leverage Ratio does not exceed 4.60:1.00, and (B) the Senior Leverage Ratio does not exceed 2.25:1.00, each on a pro forma basis immediately after giving effect to the Transactions occurring

on the Fourth Restatement Closing Date, (1) certifying that no Material Adverse Effect has occurred, and no material adverse effect on the performance of the Borrower and the Subsidiaries (other than NMTC Subsidiaries), taken as a whole, has occurred, in either case since December 31, 2013, (1) certifying compliance with the conditions set forth in paragraphs (a) and (b) of Section 5.2, (1) either (A) attaching copies of all consents, licenses and approvals required in connection with the execution, delivery and performance by each Loan Party and the validity against each Loan Party of the Loan Documents to which it is a party, and such consents, licenses and approvals shall be in full force and effect, or (B) stating that no such consents, licenses or approvals are so required, (1) certifying that the performance by each Loan Party of its obligations under each Loan Document to which it is a party does not (A) violate any applicable law, statute, rule or regulations or (B) conflict with, or result in a default or event of default under, any material agreement of any Loan Party, including, without limitation, any instrument or agreement (1) governing any debt or equity (or warrant or option with respect thereto) of GCI and its subsidiaries, and (2) that would constitute a material contract of any Loan Party, (1) certifying that simultaneously with the making of the Term B Loans on the Fourth Restatement Closing Date, the AWN Transaction occurred, and (1) attaching a true, correct and complete copy of the AWN Purchase Agreement.

(j) Legal Opinions. The Administrative Agent shall have received the following executed legal opinions: (i) the legal opinion of Sherman & Howard L.L.C., special counsel to the Loan Parties, substantially in the form of Exhibit E-1; (ii) the legal opinion of Stoel Rives LLP, special Alaska counsel to the Loan Parties, substantially in the form of Exhibit E-2; and (iii) the legal opinion of the Borrower by Tina Pidgeon, special internal FCC counsel to the Loan Parties, and Mark Moderow, special internal Alaska regulatory counsel to the Loan Parties, substantially in the form of Exhibit E-3.

(k) Pledged Stock; Stock Powers. The Administrative Agent shall have received the certificates, if any, representing the certificated shares of Equity Interests pledged on or prior to the Fourth Restatement Closing Date pursuant to the Security Documents, together with an undated stock power for each such certificate executed in blank by a duly authorized officer of the pledgor thereof.

(l) Filings, Registrations and Recordings. Each Uniform Commercial Code financing statement required by the Security Documents to be filed in order to create in favor of the Administrative Agent, for the benefit of the Lenders, a perfected Lien on the Collateral described therein with the priority provided for in the Security Documents, shall have been delivered to the Administrative Agent in proper form for filing.

(m) No Default. No Default (as defined in the Existing Credit Agreement) shall have occurred and be continuing, and no Default shall have occurred and be continuing.

(n) Notes. If any Lender shall have requested one, the Administrative Agent shall have received, for the account of such Lender, an original Note, dated the Fourth Amendment Closing Date, executed by the Borrower and payable to such Lender.

The Administrative Agent shall notify the Borrower and the Credit Parties of the Fourth Restatement Closing Date and such notice shall be conclusive and binding.

Section 5.2. Conditions to Future Credit Events

The obligation of each Lender to make a Loan on the occasion of any Borrowing (other than a continuation or conversion of an existing Borrowing), and of the Issuing Bank to issue, amend, renew or extend a Letter of Credit, is subject to the satisfaction of the following conditions:

(o) The representations and warranties of the Loan Parties set forth in the Loan Documents shall be true and correct in all material respects on and as of the date of such Borrowing or the date of such issuance, amendment, renewal or extension, as applicable (except (i) to the extent that such representations and warranties relate to an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date and (ii) that any representation and warranty that is qualified as to "materiality" or "Material Adverse Effect" shall be true and correct in all respects without further qualification); and

(p) at the time of and immediately after giving effect to such Borrowing or such issuance, amendment, renewal or extension, as applicable, no Default shall or would exist.

Each such Borrowing and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

ARTICLE 6

AFFIRMATIVE COVENANTS

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees and other amounts payable hereunder (other than contingent or indemnification obligations not then due) shall have been paid in full in cash and all Letters of Credit have expired (or have been cash collateralized or otherwise provided for in full in a manner reasonably satisfactory to the Issuing Bank) and all LC Disbursements have been reimbursed, the Parent covenants and agrees with the Credit Parties that:

Section 6.1. Financial Statements and Other Information

The Parent will furnish or cause to be furnished to the Administrative Agent:

(a) within 120 days after the end of each fiscal year, (i) the Parent's audited consolidated balance sheet and related consolidated statements of income, cash flows and shareholders' equity, and (ii) the Borrower's audited consolidated balance sheet and related consolidated statements of income, cash flows and shareholders' equity, in each case set forth in this paragraph (a) as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by Grant Thornton LLP or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial position and results of operations of (x) in the case of the financial statements referred to in clause

(i) above, the Parent on a consolidated basis in accordance with GAAP consistently applied, and (y) in the case of the financial statements referred to in clause (ii) above, the Borrower on a consolidated basis in accordance with GAAP consistently applied;

(b) within 60 days after the end of each of the first three fiscal quarters of each fiscal year, (i) the Parent's consolidated balance sheet and related consolidated statements of income and cash flows, and (ii) the Borrower's consolidated balance sheet and related consolidated statements of income and cash flows, in each case set forth in this paragraph (b) as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by a Financial Officer as presenting fairly in all material respects the financial position and results of operations of (x) in the case of the financial statements referred to in clause (i) above, the Parent on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes, and (y) in the case of the financial statements referred to in clause (ii) above, the Borrower on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under paragraph (a) or (b) above, a Compliance Certificate signed by a Financial Officer of the Parent (i) certifying as to whether a Default has occurred and is continuing and, if a Default has occurred and is continuing, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth (A) reasonably detailed calculations demonstrating compliance with the Financial Covenants as of the most recent fiscal quarter end contemplated by such financial statements, (B) the Subsidiary Guarantors as of the date of such Compliance Certificate, and (C) the Excluded Subsidiaries as of the date of such Compliance Certificate, and (iii) containing either a certification that there has been no change to the information about the Loan Parties and their property disclosed in the schedules to the Security Documents or, after the delivery of the first certification delivered pursuant to this subsection, as previously certified, or, if so, specifying all such changes;

(d) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by the Parent, the Borrower or any Subsidiary (other than NMTC Subsidiaries) with the SEC, or with any national securities exchange, as the case may be;

(e) at least 5 Business Days prior to the consummation of each transaction constituting a Significant Transaction, the Parent shall have delivered to the Administrative Agent a certificate of the Parent signed by a Financial Officer thereof describing such transaction in reasonable detail and certifying that such Significant Transaction complies with each Section hereof under which such transaction constitutes a Significant Transaction (which shall have attached thereto reasonably detailed backup data and calculations showing such compliance);

(f) within 30 days after the beginning of each fiscal year, an annual consolidated forecast for the Borrower and the Subsidiaries for such fiscal year, including projected consolidated statements of income of the Borrower and the Subsidiaries, all in reasonable detail acceptable to the Administrative Agent;

(g) promptly such other information with documentation required by bank regulatory authorities under applicable "know your customer" and Anti-Money Laundering rules and regulations (including, without limitation, the Patriot Act), as from time to time may be reasonably requested by the Administrative Agent or such Lender; and

(h) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of the Parent, the Borrower or any Subsidiary (other than NMTC Subsidiaries to the extent not in possession of the Borrower), or compliance with the terms of the Loan Documents, as the Administrative Agent or any Lender (through the Administrative Agent) may reasonably request, provided, however, that the Parent shall not be required to provide pro forma financial statements and information in connection with a Borrowing Request of $50,000,000 or less.

Section 6.2. Notices of Material Events

The Parent will furnish to the Administrative Agent prompt written notice of the following:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against the Parent or any Affiliate that, in either case, would reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, would reasonably be expected to result in a Material Adverse Effect;

(d) as soon as possible and in no event later than five (5) Business Days after the receipt thereof by the Parent, the Borrower or any Subsidiary (other than NMTC Subsidiaries), a copy of any notice, summons, citation or other written communication concerning any actual, alleged, suspected or threatened violation of any Environmental Law, or any Environmental Liability of the Parent, the Borrower or any Subsidiary, in each case, which would reasonably be expected to have a Material Adverse Effect;

(e) promptly after the furnishing thereof, copies of any statement or report furnished to any holder of debt securities of any Loan Party pursuant to the terms of any indenture, loan or credit or similar agreement and not otherwise required to be furnished to the Lenders pursuant to any other clause of this Section 6.2; and

(f) any other development that results in, or would reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section (other than paragraph (e)) shall be accompanied by a statement of a Financial Officer or other Responsible Officer of the Parent setting forth the details

of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

Section 6.3. Existence; Conduct of Business

The Parent will, and will cause the Borrower and each Subsidiary (other than NMTC Subsidiaries to the extent not reasonably expected to result in a Material Adverse Effect) to, do or cause to be done all things reasonably necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business, except, in each case, as otherwise permitted by Section 7.3.

Section 6.4. Payment and Performance of Obligations

The Parent will, and will cause each subsidiary thereof (other than NMTC Subsidiaries to the extent not reasonably expected to result in a Material Adverse Effect) to, pay or perform (before the same shall become delinquent or in default) its obligations, including Tax liabilities, that, if not paid or performed, would reasonably be expected to result in a Material Adverse Effect, except where (i) the validity or amount thereof is being contested in good faith by appropriate proceedings, (ii) the Parent or such subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (iii) the failure to make payment pending such contest would not reasonably be expected to result in a Material Adverse Effect.

Section 6.5. Maintenance of Properties

The Parent will cause the Borrower and each Subsidiary (other than NMTC Subsidiaries to the extent not reasonably expected to result in a Material Adverse Effect) to, keep and maintain all tangible property material to the conduct of their businesses, taken as a whole, in good working order and condition, ordinary wear and tear (and damage caused by casualty) excepted.

Section 6.6. Books and Records; Inspection Rights

The Parent will, and will cause the Borrower and each Subsidiary (other than NMTC Subsidiaries to the extent not reasonably expected to result in a Material Adverse Effect) to, keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities. The Parent will, and will cause the Borrower and each Subsidiary (other than NMTC Subsidiaries) to, permit any representatives designated by the Administrative Agent or any Lender, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times as reasonably requested

Section 6.7. Compliance with Laws

The Parent will, and will cause each subsidiary thereof to, (1) comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to

result in a Material Adverse Effect and (1) maintain in effect and enforce policies and procedures designed to ensure compliance by the Parent, its Subsidiaries and their respective directors, officers and employees with Anti-Corruption Laws and applicable Sanctions.

Section 6.8. Environmental Compliance

The Parent will, and will cause each subsidiary thereof to, use and operate all of its facilities and property in compliance with all Environmental Laws, keep all necessary permits, approvals, certificates, licenses and other authorizations relating to environmental matters in effect and remain in compliance therewith, and handle all Hazardous Materials in compliance with all applicable Environmental Laws, except where noncompliance with any of the foregoing would not reasonably be expected to have a Material Adverse Effect.

Section 6.9. Insurance

The Parent will, and will cause the Borrower and each Subsidiary (other than NMTC Subsidiaries to the extent not reasonably expected to result in a Material Adverse Effect) to, self-insure or maintain, with financially sound and reputable insurance companies, (i) adequate insurance for its insurable properties, all to such extent and against such risks, including fire, casualty, business interruption and other risks insured against by extended coverage, as is customary with companies in the same or similar businesses operating in the same or similar locations and (ii) such other insurance as is required pursuant to the terms of any Security Document.

Section 6.10. Casualty and Condemnation

The Borrower will furnish to the Administrative Agent and the Lenders prompt written notice of any casualty or other insured damage to any property owned or held by or on behalf of the Borrower or any Subsidiary (other than NMTC Subsidiaries) with a fair market value immediately prior to such casualty or insured damage of at least $5,000,000, or the commencement of any action or proceeding for the taking of any property or interest therein with a fair market value immediately prior to such taking of at least $5,000,000, under power of eminent domain or by condemnation or similar proceeding.

Section 6.11. Additional Subsidiaries

If any Subsidiary (other than a NMTC Subsidiary or a subsidiary of an Excluded Subsidiary) is formed or acquired after the Fourth Restatement Closing Date (each a "New Subsidiary"), and remains a Subsidiary for not less than ten Business Days, not later than the tenth Business Day after the date on which such New Subsidiary is formed or acquired, the Borrower will (a) provide written notice thereof, in reasonable detail, to the Administrative Agent, (b) designate in such notice whether such New Subsidiary is an "Excluded Subsidiary" (in which event such New Subsidiary shall be a "New Excluded Subsidiary"), provided that in the event the Borrower designates such New Subsidiary as not a New Excluded Subsidiary or fails to make any such designation, such New Subsidiary shall irrevocably be deemed not to be an "Excluded Subsidiary" (in which event such New Subsidiary shall be a "New Included Subsidiary"), (c) if such New Subsidiary is a New Included Subsidiary, (i) cause such New Subsidiary to execute and

deliver a completed Guarantee Supplement and become a party to each applicable Security Document in the manner provided therein, and (ii) promptly take or cause such New Subsidiary to take such actions to create and perfect Liens on such New Subsidiary's assets (other than Excluded Collateral) to secure the Obligations as the Administrative Agent or the Lenders holding more than 50% of the Total Credit Exposure of all Classes that are the beneficiaries of such Collateral, taken as a whole, shall reasonably request, and (d) if any Equity Interests issued by such New Subsidiary are owned or held by or on behalf of the Borrower or any Subsidiary (other than an Excluded Subsidiary) or any loans, advances or other debt is owed or owing by such New Subsidiary to the Borrower or any Subsidiary (other than an Excluded Subsidiary), the Borrower will cause such Equity Interests and promissory notes and other instruments evidencing such loans, advances and other debt to be pledged pursuant to the Security Documents.

Section 6.12. Information Regarding Collateral.

The Parent will furnish to the Administrative Agent prompt written notice of any change in (1) the legal name or jurisdiction of incorporation or formation of any Loan Party, (1) the location of the chief executive office of any Loan Party or its principal place of business, (1) the identity or organizational structure of any Loan Party such that a filed financing statement becomes misleading or (1) the Federal Taxpayer Identification Number or company organizational number of any Loan Party. The Parent agrees not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the Uniform Commercial Code or otherwise that are required in order for the Administrative Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral.

Section 6.13. Further Assurances

The Parent will, and will cause the Borrower and each Subsidiary Guarantor to, execute any and all further documents, mortgages, deeds of trust, financing statements, agreements (including guarantee agreements and security agreements) and instruments, and take all such further actions (including the filing and recording of financing statements and other documents), that the Administrative Agent may reasonably request, to grant, preserve, protect or perfect (including as a result of any change in applicable law) Liens on all Collateral (other than Excluded Collateral) of the Borrower and each Subsidiary Guarantor, including the Liens created or intended to be created by the Security Documents or the validity or priority of any such Lien, all at the expense of the Parent, the Borrower or any Subsidiary, and in that connection the Borrower will, and will cause each of its Subsidiaries to, grant to the Administrative Agent security interests and Mortgages in all of its owned Real Property (except to the extent constituting Excluded Collateral) acquired after the Fourth Restatement Closing Date and satisfy the Real Estate Collateral Requirement with respect to each such Real Property within 90 days after the date such Real Property is so acquired. The Parent also agrees to provide to the Administrative Agent, from time to time upon request, evidence reasonably satisfactory to the Administrative Agent as to the perfection and priority of the Liens created or intended to be created by the Security Documents. For the avoidance of doubt, the Loan Parties will not be required to register any trademarks or copyrights.

Section 6.14. Use of Proceeds

(a) The proceeds of the Loans and the Letters of Credit will be used only as follows: (i) to reimburse the Issuing Bank in respect of amounts drawn under Letters of Credit, (ii) to pay transaction fees and expenses and (iii) for general corporate purposes not inconsistent with the terms hereof, including the making of Investments permitted by Section 7.4, Acquisitions permitted by Section 7.5 and Restricted Payments permitted by Section 7.8, provided that notwithstanding the foregoing, Term B Loans will be used first to finance the AWN Transaction, and to pay transaction fees and expenses related thereto and hereto, and second, to the extent of any excess, for general corporate purposes not inconsistent with the terms of this Agreement.

(b) No part of the proceeds of any Loan or any Letter of Credit will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, to (1) purchase, acquire or carry any Margin Stock, (1) for any purpose that entails a violation of any of the regulations of the Board, including Regulations T, U and X, or (1) to make a loan to any director or executive officer of the Borrower or any Subsidiary. The Borrower will not request any Borrowing or Letter of Credit, and the Borrower shall not use, and the Borrower shall ensure that its Subsidiaries and its or their respective directors, officers and employees shall not use, the proceeds of any Borrowing or Letter of Credit (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country or (iii) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

Section 6.15. Maintenance of Ratings

Use commercially reasonable efforts to cause (1) each of S&P and Moody's to maintain a rating for the Term B Loans, (1) Moody's to maintain a corporate family rating (or the equivalent thereof), and (1) S&P to maintain a corporate credit rating (or the equivalent thereof), in each case with respect to the Borrower, it being understood, in each case, that such obligation shall not require the Borrower to maintain any specific rating.

ARTICLE 7

NEGATIVE COVENANTS

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees and other amounts payable hereunder (other than contingent or indemnification obligations not then due) shall have been paid in full in cash and all Letters of Credit have expired (or have been cash collateralized or otherwise provided for in full in a manner reasonably satisfactory to the Issuing Bank) and all LC Disbursements have been reimbursed, the Parent covenants and agrees with the Credit Parties that:

Section 7.1. Indebtedness

The Parent will not, and will not permit the Borrower or any Subsidiary (other than NMTC Subsidiaries to the extent not reasonably expected to result in a Material Adverse Effect) to, create, incur, assume or permit to exist any Indebtedness, except each of the following:

(a) Indebtedness under the Loan Documents;

(b) Indebtedness existing on the Fourth Restatement Closing Date and set forth in Schedule 7.1, and Other Refinancing Indebtedness with respect thereto;

(c) Indebtedness (i) of the Borrower owed to any Subsidiary Guarantor, (ii) of any Subsidiary Guarantor owed to the Borrower or any other Subsidiary Guarantor, and (iii) of any Excluded Subsidiary owed to any other Excluded Subsidiary;

(d) Guarantees (i) by the Borrower of Indebtedness of any Subsidiary Guarantor, (ii) by any Subsidiary Guarantor of Indebtedness of the Borrower or any other Subsidiary Guarantor, and (iii) by any Excluded Subsidiary of Indebtedness of the Borrower or any Subsidiary;

(e) Indebtedness (whether secured or unsecured) of the Parent, the Borrower or any Subsidiary under Hedging Agreements permitted by Section 7.12;

(f) unsecured Indebtedness of the Parent not in excess of $750,000,000 in aggregate principal amount in respect of the Senior Notes;

(g) unsecured Indebtedness of the Parent that constitutes Other Replacement Debt in respect of the Senior Notes (the principal amount of which may be increased in the same transaction to the extent permitted by Section 7.1(p)), provided that (i) the Other Refinancing Condition shall have been satisfied, and (ii) immediately before and immediately after the incurrence thereof, no Default shall or would exist;

(h) Indebtedness (whether secured or unsecured) of Excluded Subsidiaries in an aggregate principal amount not to exceed $300,000,000 at any one time outstanding in connection with Permitted NMTC Transactions, provided that (i) immediately before and immediately after the incurrence thereof, no Default shall or would exist, and (ii) all such Indebtedness incurred after the Fourth Restatement Closing Date shall have a final stated maturity date that is no earlier than the Permitted Debt Maturity Date;

(i) Indebtedness consisting of unsecured guaranties by the Borrower and/or the Subsidiary Guarantors of Indebtedness permitted under Section 7.1(f), Section 7.1(g), or Section 7.1(p);

(j) Indebtedness (whether secured or unsecured) of one or more of the Excluded Subsidiaries not in excess of $100,000,000 in aggregate principal amount at any one time outstanding, provided that (i) immediately before and immediately after the incurrence thereof, no Default shall or would exist, and (ii) all such Indebtedness incurred after the Fourth Restatement

Closing Date shall (X) be Approved Debt, or (Y) have a final stated maturity date that is no earlier than the Permitted Debt Maturity Date;

(k) Indebtedness of a Person who becomes a Subsidiary in connection with an Acquisition permitted by Section 7.5(e) or assumed by the Borrower or any Subsidiary in connection with an Acquisition permitted by Section 7.5(e), provided that (i) such Indebtedness is not incurred in contemplation of such Acquisition, and (ii) the aggregate principal amount of all such Indebtedness under this Section 7.1(k) shall not exceed $25,000,000 at any one time outstanding;

(l) Capital Lease Obligations pursuant to transponder leases in an aggregate principal amount not to exceed $80,000,000 at any one time outstanding, provided that immediately before and immediately after the incurrence thereof, no Default shall or would exist;

(m) Capital Lease Obligations of the Borrower or any one or more of the Subsidiary Guarantors to any one or more of the Excluded Subsidiaries in an aggregate principal amount not to exceed $50,000,000 at any one time outstanding, provided that (i) each such Capital Lease Obligation shall be on an "arm's length" basis, and (ii) immediately before and immediately after giving effect to the incurrence of each such Capital Lease Obligation, no Default shall or would exist;

(n) Capital Lease Obligations in an aggregate principal amount not to exceed $60,000,000 at any one time outstanding, provided that immediately before and immediately after the incurrence thereof, no Default shall or would exist;

(o) Indebtedness (whether secured or unsecured) of the Parent, the Borrower or any of the Subsidiaries in an aggregate principal amount not to exceed $20,000,000 at any one time outstanding, provided that immediately before and immediately after the incurrence thereof, no Default shall or would exist;

(p) unsecured Indebtedness of the Parent, the Borrower or any of the Subsidiaries, provided that (i) immediately before and immediately after the incurrence thereof, no Default shall or would exist, (ii) all such Indebtedness incurred after the Fourth Restatement Closing Date shall have a final stated maturity date that is no earlier than the Existing Facility Maturity Date, (iii) unless otherwise agreed to in writing by the Administrative Agent (the decision to be within the sole and absolute discretion of the Administrative Agent), such Indebtedness (other than Indebtedness incurred by Excluded Subsidiaries) is on terms and conditions, taken as a whole, that are not materially more restrictive than those governing the Indebtedness incurred under the Loan Documents (as certified by a Financial Officer pursuant to a certificate in form reasonably acceptable to the Administrative Agent, which certificate shall be conclusive as to compliance with this clause (iii)), and (iv) immediately after giving effect thereto, the Total Leverage Ratio would not exceed 5.50:1.00;

(q) Indebtedness of the Borrower and the Subsidiaries incurred after the Fourth Restatement Closing Date in respect of Investments made after the Fourth Restatement Closing Date and permitted by Section 7.4(h); and

(r) obligations of the Borrower or any of the Subsidiaries owed to the Borrower or any of the Subsidiaries under services agreements for the provision of network capacity to the extent characterized as Capital Lease Obligations.

Section 7.2. Liens

The Parent will not, and will not permit the Borrower or any Subsidiary (other than NMTC Subsidiaries to the extent not reasonably expected to result in a Material Adverse Effect) to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, except:

(a) Liens created under the Loan Documents;

(b) Permitted Encumbrances;

(c) any Lien on any property or asset of the Parent, the Borrower or any Subsidiary to the extent existing on the Fourth Restatement Closing Date and set forth in Schedule 7.2, provided that (i) such Lien shall not apply to any other property or asset of the Parent, the Borrower or any Subsidiary and (ii) such Lien shall secure only those obligations which it secures on the Fourth Restatement Closing Date and any extensions, renewals and replacements thereof that do not increase the amount thereof;

(d) (i) Liens to secure the Indebtedness permitted by Section 7.1(e), (l), (m), (n), (o) or (r) and (ii) Liens (other than Liens on Collateral) to secure the Indebtedness permitted by Section 7.1(h) or (j);

(e) any Lien existing on any property or asset prior to the acquisition thereof by the Borrower or any Subsidiary or existing on any property or asset of any Person that becomes a Subsidiary after the Fourth Restatement Closing Date prior to the time such Person became or becomes a Subsidiary, provided that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, as applicable, (ii) such Lien shall not apply to any other property or assets of the Borrower or any Subsidiary, and (iii) such Lien shall secure only the Indebtedness and other obligations that it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as applicable, and any Other Refinancing Indebtedness in respect of such Indebtedness;

(f) any encumbrance or restriction (including, without limitation, put and call agreements and transfer restrictions, but not other Liens) with respect to the Equity Interest of any joint venture or similar arrangement created pursuant to the joint venture or similar agreements with respect to such joint venture or similar arrangement;

(g) other Liens securing obligations in an aggregate amount not exceeding $5,000,000 at any one time outstanding; and

(h) Liens on the assets and property of the Parent (other than any Lien on any Equity Interest issued by the Borrower).

Section 7.3. Fundamental Changes

(a) The Parent will not, and will not permit the Borrower or any Subsidiary (other than NMTC Subsidiaries to the extent not reasonably expected to result in a Material Adverse Effect) to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (in one transaction or in a series of related transactions) all or substantially all of its assets (in each case, whether now owned or hereafter acquired), or liquidate or dissolve, except that, provided that both immediately before and after giving effect thereto, no Event of Default shall or would exist:

(i) the Parent may merge or consolidate with any Person, provided that (A) the Parent shall be the surviving entity thereof, (B) the Parent shall have satisfied the notice requirements in Section 6.1(e) with respect thereto, and (C) immediately after giving effect thereto, the Loan Parties shall be in compliance on a pro forma basis with all Financial Covenants as of the most recent fiscal quarter end (assuming, for purposes of the Financial Covenants, that all mergers, acquisitions and dispositions consummated since the first day of such fiscal quarter, had occurred on the first day of such fiscal quarter);

(ii) the Borrower may merge or consolidate with any Subsidiary Guarantor, provided that the Borrower shall be the surviving entity;

(iii) the Borrower may merge or consolidate with any other Person, provided that (A) the Borrower shall be the surviving entity, (B) the Parent shall have satisfied the requirements in Section 6.1(e) with respect thereto, and (C) immediately after giving effect thereto, the Loan Parties shall be in compliance on a pro forma basis with all Financial Covenants as of the most recent fiscal quarter end (assuming, for purposes of the Financial Covenants, that all mergers, acquisitions and dispositions consummated since the first day of such fiscal quarter, had occurred on the first day of such fiscal quarter);

(iv) (A) any Subsidiary may merge or consolidate with or into the Borrower in a transaction in which the Borrower is the surviving Person, (B) any Subsidiary Guarantor may merge or consolidate with or into any Subsidiary in a transaction in which a Subsidiary Guarantor is the surviving Person, and (C) any Excluded Subsidiary may merge or consolidate with or into any other Subsidiary (including another Excluded Subsidiary) in a transaction in which such other Subsidiary is the surviving Person;

(v) any Subsidiary may merge or consolidate with any other Person, provided that (A) immediately after giving effect thereto, no Default shall or would exist, and (B) either (1)(a) such Subsidiary is the surviving Person, and (b) such merger or consolidation is not prohibited by Section 7.5, or (2)(a) such other Person is the surviving Person, and (b)(i) such merger or consolidation is not prohibited by Section 7.7, or (ii) such merger or consolidation is not prohibited by Section 7.5 and such other Person shall become a Subsidiary Guarantor in accordance with Section 6.11;

(vi) (A) the Parent may sell, transfer, lease or otherwise dispose of all or substantially all of its assets (other than Equity Interests in the Borrower) to any Person, (B)

the Borrower may sell, transfer, lease or otherwise dispose of all or substantially all of its assets to any Subsidiary Guarantor, (C) any Subsidiary Guarantor may sell, transfer, lease or otherwise dispose of all or substantially all of its assets to the Borrower or to any other Subsidiary Guarantor (upon voluntary liquidation or dissolution or otherwise), and (D) any Excluded Subsidiary may sell, transfer, lease or otherwise dispose of all or substantially all of its assets to the Borrower or any Subsidiary (upon voluntary liquidation or dissolution or otherwise);

(vii) any Subsidiary may sell, transfer, lease or otherwise dispose of its assets in a transaction that is not otherwise permitted by this Section 7.3(a), provided that such sale, transfer, lease or other disposition is permitted by Section 7.7; and

(viii) any Subsidiary may liquidate, wind up or dissolve so long as (A) the assets of any such Subsidiary that is a Subsidiary Guarantor are transferred to the Borrower or another Subsidiary Guarantor, or (B) the assets of any such Subsidiary that is an Excluded Subsidiary are transferred to the Borrower or a Subsidiary.

(b) The Parent will not, and will not permit any subsidiary thereof (other than NMTC Subsidiaries to the extent not reasonably expected to result in a Material Adverse Effect) to, engage in any business other than businesses of the type conducted by the Parent, the Borrower and the Subsidiaries on the Fourth Restatement Closing Date and businesses which are now, or which in the future shall have become, reasonably related thereto or a reasonable extension thereof.

Section 7.4. Investments

The Borrower will not, and will not permit any Subsidiary (other than NMTC Subsidiaries to the extent not reasonably expected to result in a Material Adverse Effect) to, purchase, hold or acquire (including pursuant to any merger) any Equity Interest, evidences of indebtedness or other securities (including any option, warrant or other right to acquire any of the foregoing) of, make or permit to exist any loans or advances to, or make or permit to exist any Guarantee of any obligations of, any other Person (all of the foregoing, "Investments"), except:

(a) Investments in Cash Equivalents;

(b) Investments existing on the Fourth Restatement Closing Date and set forth on Schedule 7.4, and Investments in CoBank Equities;

(c) Investments by any Person in existence at the time such Person becomes a Subsidiary, provided such Investment was not made in connection with or anticipation of such Person becoming a Subsidiary;

(d) Investments permitted by Section 7.3 or 7.5;

(e) Investments (i) made by the Borrower in any Subsidiary Guarantor, (ii) made by any Subsidiary Guarantor in the Borrower or any other Subsidiary Guarantor, or (iii) made by any Excluded Subsidiary in any other Excluded Subsidiary;

(f) loans, advances and Guarantees of Indebtedness permitted by Section 7.1;

(g) Guarantees by the Borrower or any Subsidiary to the extent that, immediately before and immediately after giving effect thereto (i) no Default shall or will exist, and (ii) no High Ratio Condition shall or would exist;

(h) Investments (other than Guarantees) by the Borrower and the Subsidiaries to the extent that immediately before and immediately after giving effect thereto no Default shall or would exist, and

(i) immediately before and immediately after giving effect thereto no High Ratio Condition shall or would exist, or

(ii) immediately after giving effect thereto (1) the aggregate outstanding principal balance of all debt Investments made pursuant to this Section 7.4(h)(ii) since the Fourth Restatement Closing Date would not exceed $10,000,000, and (2) the aggregate amount of all other Investments made pursuant to this Section 7.4(h)(ii) since the Fourth Restatement Closing Date would not exceed $10,000,000;

(i) Investments under Hedging Agreements permitted hereunder;

(j) Investments arising out of the receipt by the Borrower or any Subsidiary of non-cash consideration for any sale of assets permitted under Section 7.7;

(k) Investments arising out of the receipt by the Borrower or any Subsidiary of Restricted Payments permitted under Section 7.8;

(l) the AWN Transaction, provided that immediately before and immediately after the consummation thereof no Event of Default shall exist or would occur;

(m) Investments pursuant to Permitted NMTC Transactions;

(n) Investments received in connection with the bankruptcy or reorganization of suppliers and customers of the Borrower or any Subsidiary in settlement of obligations and disputes;

(o) Investments in Excluded Subsidiaries to the extent funded with the proceeds of a concurrent distribution from one or more Excluded Subsidiaries; and

(p) loans and advances to employees in the ordinary course of business not in excess of $5,000,000 in aggregate principal amount outstanding at any one time.

Section 7.5. Acquisitions

The Borrower will not, and will not permit any Subsidiary (other than NMTC Subsidiaries to the extent not reasonably expected to result in a Material Adverse Effect) to (i) purchase or otherwise acquire (in any one transaction or any series of related transactions and, including by merger, consolidation or otherwise) (1) all or substantially all of the property of any

Person or (2) any business or division of any Person, or (ii) cause any Person to become a subsidiary thereof (each of the transactions described in clauses (i) and (ii) immediately above, an "Acquisition"), except:

(a) Acquisitions by (i) the Borrower from any Subsidiary Guarantor, and (ii) any Subsidiary Guarantor from the Borrower or any other Subsidiary;

(b) Acquisitions by any Excluded Subsidiary from any other Excluded Subsidiary;

(c) [reserved];

(d) Persons may become NMTC Subsidiaries in connection with Permitted NMTC Transactions; and

(e) other Acquisitions by the Borrower or any Subsidiary, if each of the following conditions is met:

(i) immediately before and immediately after giving effect thereto no Default shall or would exist;

(ii) immediately after giving effect thereto the Parent shall have satisfied the requirements in Section 6.1(e) with respect thereto, if any;

(iii) the Board of Directors of the Person to be acquired shall not have indicated publicly its opposition to the consummation of such transaction (which opposition has not been publicly withdrawn);

(iv) all transactions in connection therewith shall be consummated in accordance with all applicable requirements of law (including, without limitation, all State Law and State Regulations);

(v) with respect to any such transaction involving consideration to be paid by the Borrower and the Subsidiaries in excess of $50,000,000, unless the Administrative Agent shall otherwise agree, the Parent shall have provided the Administrative Agent and the Lenders with historical financial statements of the Person or business to be acquired to the extent available;

(vi) immediately after giving effect thereto, the Loan Parties shall be in compliance on a pro forma basis with all Financial Covenants as of the most recent fiscal quarter end (assuming, for purposes of the Financial Covenants, that all mergers, acquisitions and dispositions consummated since the first day of such fiscal quarter, had occurred on the first day of such fiscal quarter); and

(vii) (A) immediately before and immediately after giving effect to such transaction, no High Ratio Condition shall or would exist, or (B) immediately after giving effect thereto, the aggregate consideration paid by the Borrower and the Subsidiaries

pursuant to this Section 7.5(e)(vii)(B) since the Fourth Restatement Closing Date would not exceed $10,000,000.

Section 7.6. Sale and Lease-Back Transactions

The Borrower will not, and will not permit any of the Subsidiaries (other than NMTC Subsidiaries to the extent not reasonably expected to result in a Material Adverse Effect) to, enter into any arrangement, directly or indirectly, with any Person whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property being sold or transferred, unless (a) the sale or transfer of such property is permitted by Section 7.7, and (b) any Liens arising in connection with its use of such property are permitted by Section 7.2.

Section 7.7. Dispositions

The Borrower will not, and will not permit any Subsidiary (other than NMTC Subsidiaries to the extent not reasonably expected to result in a Material Adverse Effect) to, sell, transfer, lease or otherwise dispose (including pursuant to a merger) of any asset (other than cash and Cash Equivalents), including any Equity Interest, and the Borrower will not and will not permit any Subsidiary to, issue any Equity Interest, except:

(a) (i) sales, transfers, leases and other dispositions of used or surplus equipment or other obsolete or, in the reasonable judgment of Borrower, unnecessary assets, (ii) the licensing of intellectual property by the Borrower to any Subsidiary Guarantor, (iii) the substantially contemporaneous exchange of equipment by any Subsidiary for property of a like kind, to the extent that the equipment received by such Subsidiary in such exchange is of a value equivalent to the value of the equipment exchanged (provided, that after giving effect to such exchange, the value of the property subject to perfected first priority Liens in favor of the Administrative Agent under the Security Documents is not materially reduced), and (iv) the sale, transfer or other disposition of property and inventory in the ordinary course of business;

(b) sales, transfers, leases and other dispositions (i) made by the Borrower to any Subsidiary Guarantor, (ii) made by any Subsidiary to the Borrower or any Subsidiary Guarantor, and (iii) made by any Excluded Subsidiary to any other Excluded Subsidiary;

(c) Liens permitted by Section 7.2, sales, transfers, leases and other dispositions permitted by Section 7.3, Investments permitted by Section 7.4, sale and leaseback transactions permitted by Section 7.6, and Restricted Payments permitted by Section 7.8;

(d) the sale, transfer, lease and other disposition or abandonment of intellectual property that is, in the reasonable judgment of the Parent, no longer economically practicable to maintain or useful in the conduct of the business of the Borrower and the Subsidiary Guarantors taken as a whole;

(e) the sale or discount, in each case without recourse and in the ordinary course of business, of overdue accounts receivable arising in the ordinary course of business, but only in connection with the compromise or collection thereof consistent with customary industry practice (and not part of any bulk sale or financing of receivables);

(f) [reserved];

(g) issuances of Equity Interests (i) by the Borrower to the Parent, (ii) by any Subsidiary to the Borrower or any Subsidiary Guarantor, and (iii) by any Excluded Subsidiary to the Borrower or any Subsidiary;

(h) [reserved];

(i) other issuances of Equity Interests by any Subsidiary to the extent arising out of (i) an Investment by the Borrower or any other Subsidiary permitted by Section 7.4, (ii) a sale, transfer or other disposition by the Borrower or any Subsidiary permitted by Section 7.7(j), or (iii) a Restricted Payment made by the Borrower or any Subsidiary permitted by Section 7.8;

(j) other sales, transfers, leases and other dispositions of assets by the Borrower or any Subsidiary and issuances of Equity Interests by a Subsidiary, if each of the following conditions is met:

(i) immediately before and immediately after giving effect thereto, no Default shall exist or would occur;

(ii) immediately after giving effect thereto, the Parent shall have satisfied the requirements in Section 6.1(e) with respect thereto, if any;

(iii) the aggregate consideration received by the Borrower and the Subsidiaries in connection therewith shall not be less than the fair market value of the property transferred by the Borrower and the Subsidiaries in connection therewith;

(iv) the terms thereof shall be “arm’s length”; and

(v) the fair market value of all property of the Borrower and the Subsidiaries sold, transferred, leased or otherwise disposed of, and Equity Interests issued, pursuant to this Section 7.7(j) would not exceed (A) $50,000,000 in any one fiscal year, or (B) $100,000,000 in the aggregate since the Fourth Restatement Closing Date; and

(k) sales, transfers, leases and other dispositions of real estate owned by the Borrower or any Subsidiary as of the Fourth Restatement Closing Date or Towers in a sale and lease-back transaction to the extent that the incurrence of Indebtedness and Liens with respect to such transaction are permitted by Section 7.1 and Section 7.2.

Section 7.8. Restricted Payments

The Borrower will not, and will not permit any Subsidiary (other than NMTC Subsidiaries to the extent not reasonably expected to result in a Material Adverse Effect) to, declare or make, or agree to pay for or make, directly or indirectly, any Restricted Payment, except:

(a) the Borrower may declare and pay dividends and other distributions with respect to its Equity Interests payable solely in perpetual common Equity Interests;

(b) (i) any Subsidiary may declare and make Restricted Payments to the Borrower or any Subsidiary Guarantor, and (ii) any Excluded Subsidiary may declare and pay Restricted Payments to the Borrower or any Subsidiary;

(c) any Subsidiary that is not a wholly-owned Subsidiary may declare and pay cash dividends to its equity holders generally so long as the Borrower (or a Subsidiary thereof which owns the equity interests in the Subsidiary paying such dividend) receives at least its proportional share thereof (based upon its relative holding of the equity interests in the Subsidiary paying such dividend and taking into account the relative preferences, if any, of the various classes of Equity Interests issued by such Subsidiary);

(d) the Borrower or any Subsidiary may declare and pay Restricted Payments to the Parent in cash, provided that (i) the Parent shall use the proceeds of each such Restricted Payment to pay a regularly scheduled cash payment of interest on indebtedness permitted by Section 7.1(f), Section 7.1(g) or Section 7.1(p), (ii) no such Restricted Payment shall be made before the date that is 30 days prior to the due date (without giving effect to any grace period) of such regularly scheduled cash interest payment, (iii) no such Restricted Payment shall, when aggregated with all other Restricted Payments made pursuant to this Section 7.8(d) with respect to any such regularly scheduled cash interest payment, exceed the amount of such regularly scheduled cash interest payment, and (iv) immediately before and immediately after giving effect thereto, no Default shall or would exist;

(e) the Borrower may declare and pay Restricted Payments in cash to the Parent in an amount that, during any fiscal year, would not exceed the portion of the income taxes payable by the Parent in such fiscal year attributable to the Borrower and its Subsidiaries;

(f) [reserved]; and

(g) the Borrower or any Subsidiary may declare and pay other Restricted Payments in cash, provided that (i) immediately before and immediately after giving effect thereto no Default shall or would exist, and (ii)(A) immediately before and after giving effect thereto no High Ratio Condition shall or would exist, or (B) immediately after giving effect thereto, the amount of all Restricted Payments made pursuant to this Section 7.8(g)(ii)(B) would not exceed $5,000,000 in the aggregate since the Fourth Restatement Closing Date.

Section 7.9. Prepayments

The Parent will not, and will not allow any subsidiary thereof to, (a) prepay any interest owing under the Senior Notes or Other Replacement Debt, other than in connection with the prepayment of such Indebtedness with Other Refinancing Indebtedness, or (b) voluntarily prepay any principal in respect of the Senior Notes or Other Replacement Debt, other than in connection with the prepayment of such Indebtedness with Other Refinancing Indebtedness.

Section 7.10. Transactions with Affiliates

The Parent will not permit the Borrower or any Subsidiary (other than NMTC Subsidiaries to the extent not reasonably expected to result in a Material Adverse Effect) to, sell, transfer, lease or otherwise dispose of (including pursuant to a merger) any property or assets to, or purchase, lease or otherwise acquire (including pursuant to a merger) any property or assets from, or otherwise engage in any other transactions with, any Affiliate thereof, except (a) as set forth on Schedule 7.10, (b) for general corporate services in the ordinary course of business, including the provision of insurance, (c) transactions between the Borrower and any Subsidiary Guarantor, between Subsidiary Guarantors or between Excluded Subsidiaries, (d) transactions between any Loan Party and any Excluded Subsidiary at prices and on terms and conditions not less favorable to such Loan Party than could be obtained on an "arm's length" basis from unrelated third parties, and (e) transactions that are in the ordinary course of business at prices and on terms and conditions not less favorable to the Borrower or such Subsidiary than could be obtained on an "arm's length" basis from unrelated third parties, provided that this Section shall not apply to (x) any Restricted Payment made by the Borrower to the Parent to the extent permitted under Section 7.8, (y) any transaction between or among the Borrower and/or any Subsidiary (and not involving any other Affiliate) to the extent permitted under Sections 7.1, 7.3, 7.4, 7.5, 7.6, 7.7, or 7.8, or (z) the guaranties permitted under Section 7.1(i).

Section 7.11. Restrictive Agreements

The Parent will not, and will not permit the Borrower or any Subsidiary Guarantor to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement binding on the Borrower or such Subsidiary Guarantor that prohibits, restricts or imposes any condition upon (a) the ability of the Borrower or any Subsidiary Guarantor to create, incur or permit to exist any Lien (other than Liens prohibited under any cable television Franchise agreement relating to the Borrower or any Subsidiary Guarantor) upon any of its property or assets (unless such agreement or arrangement does not prohibit, restrict or impose any condition upon the ability of any Loan Party to create, incur or permit to exist any Lien in favor of the Secured Parties created under the Loan Documents), or (b) the ability of any Subsidiary Guarantor to pay dividends or make other distributions with respect to any of its Equity Interests or to make or repay loans or advances to the Borrower or any other Subsidiary Guarantor or to Guarantee Indebtedness of the Borrower or any Subsidiary Guarantor, provided that (i) the foregoing shall not apply to restrictions and conditions imposed by law or by the Loan Documents, (ii) the foregoing shall not apply to restrictions and conditions existing on the date hereof identified on Schedule 7.11 (but shall apply to any amendment or modification expanding the scope of any such restriction or condition), (iii) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating

to the sale of a Subsidiary or all or substantially all of its assets pending such sale, provided that such restrictions and conditions apply only to the Subsidiary that is to be sold and such sale is permitted hereunder, (iv) the foregoing shall not apply to restrictions or conditions imposed on any Person that becomes a Subsidiary after the Fourth Restatement Closing Date, provided that (1) such restrictions and conditions exist at the time such Person becomes a Subsidiary and is not created in contemplation of or in connection with such Person becoming a Subsidiary, and (2) so long as any such restriction or condition exists, such Person shall be an Excluded Subsidiary, (v) clause (a) of this Section shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness, and (vi) clause (a) of this Section shall not apply to customary provisions in agreements restricting the assignment of such agreements.

Section 7.12. Hedging Agreements

The Borrower will not, and will not permit any Subsidiary (other than NMTC Subsidiaries to the extent not reasonably expected to result in a Material Adverse Effect) to, enter into any Hedging Agreement, other than Hedging Agreements to hedge or mitigate risks to which the Borrower or any Subsidiary is exposed in the conduct of its business or the management of its liabilities.

Section 7.13. Amendment of Material Documents

The Parent will not, and will not permit the Borrower or any Subsidiary (other than NMTC Subsidiaries to the extent not reasonably expected to result in a Material Adverse Effect) to, amend, supplement or otherwise modify, or waive any of its rights under its certificate of formation, operating agreement or other organizational documents, in each case other than amendments, modifications or waivers that would not reasonably be expected to adversely affect the Credit Parties, provided that the Parent shall deliver or cause to be delivered to the Administrative Agent a copy of each such amendment, modification or waiver promptly after the execution and delivery thereof.

Section 7.14. Ownership of Subsidiaries

The Parent shall at all times own, directly or indirectly, 100% of the issued and outstanding Equity Interests of the Borrower and each Subsidiary other than Excluded Subsidiaries. No Excluded Subsidiary may own, directly or indirectly, any Equity Interest issued by any Subsidiary Guarantor.

Section 7.15. Sanctions; Anti-Corruption Laws

The Parent will not, and will not permit the Borrower or any Subsidiary to, directly or indirectly, use the proceeds of any Borrowing, or lend, contribute or otherwise make available such proceeds to any joint venture partner or other individual or entity, to fund any activities of or business with any individual or entity, or in any Sanctioned Country, that, at the time of such funding, is the subject of Sanctions, or in any other manner that will result in a violation by any individual

or entity (including any individual or entity participating in the transaction, whether as Lender, Arranger, Administrative Agent, L/C Issuer, Swing Line Lender, or otherwise) of Sanctions.

Section 7.16. Interest Coverage Ratio

The Parent will not permit the Interest Coverage Ratio to be less than 2.50:1.00 at any time.

Section 7.17. Total Leverage Ratio

The Parent will not permit the Total Leverage Ratio to be greater than 5.95:1.00 at any time.

Section 7.18. Senior Leverage Ratio

The Parent will not permit the Senior Leverage Ratio to be greater than 3.00:1.00 at any time.

ARTICLE 8

EVENTS OF DEFAULT

If any of the following events (each an "Event of Default") shall occur:

(a) the Borrower shall fail to pay any principal of any Loan or any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Borrower shall fail to pay any interest on any Loan or on any reimbursement obligation in respect of any LC Disbursement or any fee, commission or any other amount (other than an amount referred to in paragraph (a) of this Article) payable under any Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five Business Days;

(c) any representation or warranty made or deemed made by or on behalf of any Loan Party in or in connection with any Loan Document or any amendment or modification thereof or waiver thereunder, or in any certificate furnished pursuant to or in connection with any Loan Document or any amendment or modification thereof or waiver thereunder, shall prove to have been incorrect in any material respect when made or deemed made;

(d) (i) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in any Security Document, in each case to the extent it is a party thereto, and such failure shall continue unremedied for a period of 10 days after the earlier to occur of (1) the receipt by such Loan Party of written notice thereof from the Administrative Agent or any Lender, or (2) a Responsible Officer of such Loan Party obtaining actual knowledge thereof, or (ii) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in Section 6.3, 6.8, 6.12, 6.13, or 6.14 or in Article 7, or in Article 11, provided that a default under

the Financial Covenants shall not constitute an Event of Default with respect to any Non-Financial Covenant Facility unless and until the Lenders holding more than 50% of the Financial Covenant Credit Exposures of all Lenders shall have accelerated the maturity of any Loan (other than a Loan under a Non-Financial Covenant Facility) outstanding;

(e) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in any Loan Document to which it is a party (other than those specified in paragraph (a), (b) or (d) of this Article), and such failure shall continue unremedied for a period of 30 days after a Responsible Officer shall have obtained actual knowledge thereof;

(f) the Parent, the Borrower or any Subsidiary (other than NMTC Subsidiaries to the extent not reasonably expected to result in a Material Adverse Effect) shall fail to make any payment (whether of principal or interest, and regardless of amount) in respect of any Material Obligations when and as the same shall become due and payable (after giving effect to any applicable grace period);

(g) any event or condition occurs that results in any Material Obligations becoming due prior to their scheduled maturity or payment date, or that enables or permits the holder or holders of any Material Obligations or any trustee or agent on its or their behalf to cause any Material Obligations to become due prior to their scheduled maturity or payment date or to require the prepayment, repurchase, redemption or defeasance thereof, prior to their scheduled maturity (in each case after (x) the giving of any applicable notice and (y) giving effect to any applicable grace period), provided that this paragraph (g) shall not apply to (i) Material Obligations owed by any Excluded Subsidiary that constitutes an Unrestricted Subsidiary (as defined in the indenture for any of the Senior Notes), (ii) secured Indebtedness that becomes due solely as a result of the voluntary sale, transfer or other disposition of the property or assets securing such Indebtedness, or (iii) Material Obligations owed by NMTC Subsidiaries to the extent not reasonably expected to result in a Material Adverse Effect;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Parent, the Borrower or any Subsidiary (other than NMTC Subsidiaries to the extent not reasonably expected to result in a Material Adverse Effect), or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Parent, the Borrower or any Subsidiary (other than NMTC Subsidiaries to the extent not reasonably expected to result in a Material Adverse Effect) or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) the Parent, the Borrower or Subsidiary (other than NMTC Subsidiaries to the extent not reasonably expected to result in a Material Adverse Effect) shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in paragraph (h) of this Article, (iii) apply for or

consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Parent, the Borrower or any Subsidiary (other than NMTC Subsidiaries to the extent not reasonably expected to result in a Material Adverse Effect), or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(j) the Parent, the Borrower or any Subsidiary (other than NMTC Subsidiaries to the extent not reasonably expected to result in a Material Adverse Effect) shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount in excess of $50,000,000 shall be rendered against the Parent, the Borrower or any Subsidiary (other than NMTC Subsidiaries to the extent not reasonably expected to result in a Material Adverse Effect), or any combination thereof (to the extent not fully covered by insurance without taking into account any applicable deductibles) and the same shall remain undischarged or unbonded for a period of 60 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Parent, the Borrower or any Subsidiary (other than NMTC Subsidiaries to the extent not reasonably expected to result in a Material Adverse Effect) to enforce any such judgment;

(l) an ERISA Event shall have occurred that, when taken together with all other ERISA Events that have occurred and are continuing, would reasonably be expected to result in a Material Adverse Effect;

(m) any Loan Document shall cease, for any reason, to be in full force and effect (other than pursuant to the terms hereof or thereof), or any Loan Party shall so assert in writing;

(o) any Lien purported to be created under any Security Document shall cease to be, or shall be asserted by any Loan Party in writing not to be, a valid and, except to the extent otherwise permitted by the applicable Security Document, perfected Lien on any Collateral, with the priority required by the applicable Security Document, except (i) as a result of the sale or other disposition of the applicable Collateral in a transaction permitted under the Loan Documents or (ii) as a result of the Administrative Agent's failure to maintain possession of any stock certificates, promissory notes or other instruments delivered to it under any Security Document or any foreclosure, distraint, sale or similar proceedings have been commenced with respect to any Collateral;

(p) one or more Authorizations of the Borrower or any Subsidiary to own or operate all or any portion of the Communications Business is not renewed, expires, or is terminated, suspended or revoked, and such nonrenewal, expiration, termination, suspension or revocation would reasonably be expected to have a Material Adverse Effect; or

(q) a Change in Control shall have occurred;

then, and in every such event (other than an event described in paragraph (h) or (i) of this Article with respect to the Borrower), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of Lenders holding more than 50% of the Total Credit Exposure of all Classes affected thereby, taken as a whole, shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) except for Commitments for which no Event of Default has occurred terminate the Commitments, and thereupon such Commitments shall terminate immediately and (ii) except for Loans for which no Event of Default has occurred, declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of such Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of each Loan Party with respect thereto accrued under the Loan Documents, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and in case of any event with respect to the Borrower described in paragraph (h) or (i) of this Article, such Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of each Loan Party accrued under the Loan Documents, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower and the Guarantors.

ARTICLE 9

THE ADMINISTRATIVE AGENT

Each Credit Party hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto.

The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such Person and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent hereunder.

The Administrative Agent shall not have any duties or obligations except those expressly set forth herein. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that the Administrative Agent is required to exercise in writing by the Required Lenders (or such other number or percentage of the Credit Parties as shall be necessary under the circumstances as provided in Section 10.2 or otherwise in this Agreement), and (c) except as expressly set forth herein, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to

the Borrower, any of the Subsidiaries or any Loan Party that is communicated to or obtained by the Person serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Credit Parties as shall be necessary under the circumstances as provided in Section 10.2 or otherwise in this Agreement) or in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Parent, the Borrower or a Credit Party (and, promptly after its receipt of any such notice, it shall give each Credit Party and the Borrower notice thereof), and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered thereunder or in connection therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth therein, (iv) the validity, enforceability, effectiveness or genuineness thereof or any other agreement, instrument or other document or (v) the satisfaction of any condition set forth in Article 5 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Loan Parties), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent, provided that no such delegation shall serve as a release of the Administrative Agent or waiver by any Loan Party of any rights hereunder. The Administrative Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent.

Subject to the appointment and acceptance of a successor Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Credit Parties and the Borrower. Upon any such resignation, the Required Lenders shall have the right, with the consent of the Borrower (which consent shall not be unreasonably withheld, conditioned or delayed), unless an Event of Default shall have occurred and be continuing, in which case no consent of the Borrower shall be required, to appoint a successor from among the Lenders reasonably acceptable to the Borrower. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Credit Parties, appoint a successor Administrative Agent reasonably acceptable to the Borrower (which

consent shall not be unreasonably withheld, conditioned or delayed), unless an Event of Default shall have occurred and be continuing, in which case no consent of the Borrower shall be required, from among the Lenders or an Affiliate of any such Lender with minimum capital and undivided surplus of not less than $500,000,000. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed in writing between the Borrower and such successor. After the Administrative Agent's resignation hereunder, the provisions of this Article and Section 10.3 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent.

Each Credit Party acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Credit Party or any of their Affiliates and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Credit Party also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Credit Party or any of their Affiliates and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon any Loan Document, any related agreement or any document furnished thereunder.

Notwithstanding anything in any Loan Document to the contrary, no Agent (other than the Administrative Agent) or Arranger, in each case acting in such capacity, shall have any duty or obligation under the Loan Documents.

Each Lender and the Issuing Bank irrevocably authorizes the Administrative Agent, at its option and in its discretion (i) to release any Lien on any property granted to or held by the Administrative Agent under any Loan Document (A) upon termination of the Commitments and payment in full of all Obligations (other than contingent or indemnification obligations not then due) and the expiration, termination or cash collateralization of all Letters of Credit, (B) that is sold or otherwise transferred or to be sold or otherwise transferred as part of or in connection with any sale or other transfer permitted under the Loan Documents, or (C) if approved, authorized or ratified in writing by the Required Lenders; and (ii) to release any Subsidiary from its obligations under the Loan Documents if such Person ceases to be a Subsidiary as a result of a transaction permitted hereunder. Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release its interest in particular types or items of property, or to release any Loan Party from its obligations under the Loan Documents pursuant to this Section.

The use of a Platform in connection with this Agreement or any other Loan Document is provided "as is" and "as available." The Agents do not warrant the accuracy or completeness of any electronic communications made on the Platform, or the adequacy of the Platform and expressly disclaim liability for errors or omissions in such electronic communications. No warranty of any

kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third party rights or freedom from viruses or other code defects, is made by any Agent in connection with such electronic communications or the Platform.

ARTICLE 10

MISCELLANEOUS

Section 10.1. Notices

Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to the last paragraph of this Section 10.1), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile, as follows:

(a) if to any Loan Party, to it at 2550 Denali Street, Suite 1000, Anchorage, Alaska 99503, Attention of Chief Financial Officer (Facsimile No. (907) 868-5676), with a copy to Steven D. Miller, Esq., Sherman & Howard L.L.C., 633 17th Street, Suite 3000, Denver, Colorado 80202, Facsimile No. (303) 298-0940;

(b) if to the Administrative Agent, the Issuing Bank or the Swingline Lender, to it at 1301 Avenue of the Americas, New York, New York 10019-6022, Attention of: Media & Communications Group (Facsimile No. (212) 261-3288), with a copy to Bryan Cave, LLP, 1290 Avenue of the Americas, New York, New York 10104, Attention of Matthew P. D'Amico, Esq. (Telephone No. (212) 541-1270, Facsimile No. (212) 904-0502); and

(c) if to any other Credit Party, to it at its address (or facsimile number) set forth in its Administrative Questionnaire.

Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

Documents required to be delivered pursuant to Section 6.1 and 6.2 may be delivered by e-mail or facsimile. Promptly after receipt thereof by the Administrative Agent, the Administrative Agent shall post such documents electronically with notice of such posting to each Lender and if so posted, shall be deemed to have been delivered on the date on which such documents are posted on the Platform, if any, to which each Lender has access (whether a commercial, third-party website or whether sponsored by the Administrative Agent). The Administrative Agent's obligation to deliver information pursuant to this Section 10.1 may be discharged by posting such information on the Platform in accordance with the remaining provisions of this paragraph. The Loan Parties hereby acknowledge that (i) the Administrative Agent will make available to the Lenders on a confidential basis materials and/or information provided by or on behalf of the Parent and the Borrower hereunder (collectively, "Materials") by posting the Materials on the Platform and (ii) certain of the Lenders

may be "public-side" Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to the Parent or any subsidiary thereof) (each, a "Public Lender"). The Parent shall mark Materials that the Parent intends to be made available to Public Lenders clearly and conspicuously as "PUBLIC." By designating Materials as "PUBLIC," the Parent authorizes such Materials to be made available to a portion of the Platform designated "Public Investor," which is intended to contain only information that is either publicly available or not material information (though it may be sensitive and proprietary) with respect to such Person or its securities for purposes of United States Federal and State securities laws. Any Materials not marked "PUBLIC" shall be treated as if it contains material non-public information with respect to the Parent and the subsidiaries thereof or their securities. Notwithstanding the foregoing, the Parent is under no obligation to mark any Materials as "PUBLIC."

Section 10.2. Waivers; Amendments

(a) No failure or delay by any Credit Party in exercising any right or power under any Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Credit Parties under the Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or the issuance, amendment, extension or renewal of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether any Credit Party may have had notice or knowledge of such Default at the time.

(b) Except as provided in Section 2.1(c) and Section 2.1(d) with respect to Add-on Term Loans, Section 2.5(d) with respect to additional Revolving Commitments, Section 2.13 with respect to Incremental Term Loans, Section 2.14 with respect to Refinancing Revolving Loans and Refinancing Term Loans and Section 2.15 with respect to Extended Revolving Loans and Extended Term Loans, neither any Loan Document nor any provision thereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Parent, the Borrower, the Subsidiary Guarantors and the Required Lenders or by the Parent, the Borrower, the Subsidiary Guarantors and the Administrative Agent with the consent of the Required Lenders, provided that no such agreement shall (i) increase any Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or any reimbursement obligation with respect to an LC Disbursement, or reduce the rate of any interest thereon (other than any waiver of default interest payable pursuant to Section 3.1(b)), or reduce any fees payable hereunder, without the written consent of each Credit Party directly and adversely affected thereby, (iii) postpone any scheduled principal payment date (other than mandatory prepayments) or postpone any other payment at stated maturity of any Loan or the date of payment of any reimbursement obligation with respect to an LC Disbursement, any interest (other than any waiver of default interest) or any fees payable hereunder, or reduce (other than any waiver of default interest) the amount of, or waive or excuse any such payment, without the written consent of each

Credit Party directly and adversely affected thereby, (iv) change any provision hereof in a manner that would alter the pro rata sharing of payments required by Section 2.11(b), the application of mandatory prepayments required by Section 2.7, the application of payments under Section 2.11(b), or the pro rata reduction of Commitments required by Section 2.5(c), without the written consent of each Credit Party directly and adversely affected thereby, provided that, no consent of a Lender shall be required under this clause (iv) if, contemporaneously with the effectiveness of such amendment, the Commitments of such Lender are terminated, and all principal and interest on such Lender's Loans and all fees and other amounts payable to such Lender hereunder (other than contingent or indemnification obligations not then due) are paid in full, (v) change any of the provisions of this Section or reduce the number or percentage set forth in the definition of the term "Required Lenders" or in any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender in the group of Lenders to which such number or percentage applies (it being understood that an amendment shall not be deemed to change such provisions to the extent it effects an increase or decrease in the commitment of any Lender(s) or in the aggregate amount of the commitments of any Class), (vi) release the Parent or any Subsidiary Guarantor from its Guarantee hereunder (except as expressly provided herein or in the Security Documents), or limit its liability in respect of such Guarantee, without the written consent of each Lender that is a beneficiary of such Guarantee, (vii) release all or substantially all of the Collateral from the Liens of the Loan Documents, without the written consent of each Lender that is a beneficiary of such Collateral, or (viii) expressly change or waive any condition precedent in Section 5.2 to any Revolving Borrowing under a Revolving Facility without the written consent of the Majority Facility Lenders with respect to such Revolving Facility; and provided, further, that, notwithstanding the above provision of this Section 10.2(b), (A) no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent, the Issuing Bank or the Swingline Lender hereunder without the prior written consent of the Administrative Agent, the Issuing Bank or the Swingline Lender, as applicable, (B) any waiver, amendment or modification of this Agreement that by its terms affects one or more Classes of Lenders (but not of all Classes of Lenders) may be effected by an agreement or agreements in writing entered into by the Parent, the Borrower, the Subsidiary Guarantors and the Lenders holding the requisite percentage in interest of Total Credit Exposures of all affected Classes, taken as a whole, and (C) any waiver, amendment or modification with respect to a Financial Covenant or any amendment or modification of a defined term used in a Financial Covenant to the extent such defined term is utilized solely for purposes of calculating such Financial Covenant shall require the consent only of the Borrower and the Lenders holding more than 50% of the Total Credit Exposures of all Classes subject to such Financial Covenant, taken as a whole.

(c) In connection with any proposed amendment, modification, waiver or termination (a "Proposed Change") requiring the consent of all Lenders (or all Lenders of one or more affected Classes of Lenders), if the consent of the Required Lenders (or the consent of Lenders of the affected Classes holding more than 50% of the Total Credit Exposures of all Lenders of such Classes, taken as a whole) to such Proposed Change is obtained, but the consent to such Proposed Change of other Lenders whose consent is required is not obtained (any such Lender whose consent is so required but not so obtained being referred to as a "Non-Consenting Lender"), then, so long as the Lender that is acting as Administrative Agent is not a Non-Consenting Lender, the Borrower

may, at its sole expense and effort, upon notice to such Non-Consenting Lenders and the Administrative Agent, require each of the Non-Consenting Lenders to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 10.4), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment) and that shall consent to the Proposed Change, provided that (a) the Borrower shall have received the prior written consent of the Administrative Agent (and, if a Revolving Commitment is being assigned, the Issuing Bank and the Swingline Lender), which consent(s) shall not unreasonably be withheld, conditioned or delayed, (b) each Non-Consenting Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements, accrued interest thereon, accrued fees and all other amounts payable to it hereunder from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (c) the Borrower or such assignee shall have paid to the Administrative Agent the processing and recordation fee specified in Section 10.4(b).

(d) Notwithstanding anything to the contrary contained in this Section, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent, the Borrower, the Parent and the Subsidiary Guarantors (a) to add one or more additional credit facilities to this Agreement (it being understood that no Lender shall have any obligation to provide or to commit to provide all or any portion of any such additional credit facility) and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Loan Documents with the Loans and the accrued interest and fees in respect thereof and (b) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders.

(e) Further, notwithstanding anything to the contrary contained in this Section, if within sixty (60) days following the Fourth Restatement Closing Date, the Administrative Agent and the Borrower shall have jointly identified an obvious error or any error or omission of a technical or immaterial nature, in each case, in any provision of any of the Loan Documents, then the Administrative Agent (acting in its sole discretion) and the Borrower shall be permitted to amend such provision and such amendment shall become effective without any further action or consent of any other party to any Loan Document if the same is not objected to in writing by the Required Lenders within five Business Days following receipt of notice thereof.

(f) Any Lender may authorize the Administrative Agent to sign any amendment, modification or waiver hereto in any authorization form agreed to by the Borrower and the Administrative Agent and no Lender shall be entitled to see any other Lender's authorization form.

Section 10.3. Expenses; Indemnity; Damage Waiver

(a) The Borrower shall pay (i) all reasonable out-of-pocket costs and expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of counsel for the Administrative Agent in connection with the preparation and administration of this Agreement or any amendments, modifications or waivers of the provisions of any Loan Document, (ii) all reasonable out-of-pocket costs and expenses incurred by the Issuing

Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder, and (iii) all out-of-pocket costs and expenses incurred by any Credit Party, including the reasonable fees, charges and disbursements of Counsel, in connection with the enforcement or protection of its rights in connection with the Loan Documents during the continuation of an Event of Default, including its rights under this Section, or in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket costs and expenses incurred during any workout, restructuring or negotiation in respect of such Loans or Letters of Credit. For purposes of this Section 10.3, "Counsel" means (X) in connection with (1) any workout, restructuring or similar negotiation with respect to the Obligations, (2) any Event of Default arising from a failure by the Borrower to pay the principal of, or interest on, any Loan or LC Disbursement when due, (3) any acceleration of the Loans, and/or (4) any filing or proceeding referred to in paragraph (h) or (i) of Article 8, counsel for each Credit Party, or (Y) in all other events, (i) any counsel for the Credit Parties, and (ii) if a conflict exists, reasonably necessary additional counsel for the affected Credit Parties.

(b) The Borrower shall indemnify each Arranger, each Credit Party and each Related Party of each Arranger and each Credit Party (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the reasonable fees, charges and disbursements of counsel for the Indemnitees (unless a conflict exists, in which case, reasonable fees, charges and disbursements of reasonably necessary additional counsel for the affected Indemnitees shall be covered), but excluding Taxes which are governed by Section 3.7, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of any Loan Document or any agreement or instrument contemplated thereby, the performance by the parties to the Loan Documents of their respective obligations thereunder or the consummation of the Transactions or any other transactions contemplated thereby, (ii) any Loan or Letter of Credit or the use of the proceeds thereof including any refusal of the Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Parent, the Borrower or any of the Subsidiaries, or any Environmental Liability related in any way to the Parent, the Borrower or any of the Subsidiaries or (iv) any other actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto, provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the bad faith, gross negligence or willful misconduct of such Indemnitee or, in the case of clause (iv) immediately above, to have resulted from a material breach of the obligations of such Indemnitee under the Loan Documents. Each Indemnitee shall endeavor to give prompt notice to the Borrower of any claim against such Indemnitee that may give rise to an indemnification claim against the Borrower under this Section 10.3, provided however that such Indemnitee shall have no liability to the Borrower for such the failure to give any such notice.

(c) To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent an amount equal to the product of such unpaid amount multiplied by a fraction, the numerator of which is such Lender's Total Credit Exposure and the denominator of which is the aggregate Total Credit Exposure of all Lenders (in each case determined as of the time that the applicable unreimbursed expense or indemnity payment is sought or, in the event that no Lender shall have any Total Credit Exposure at such time, as of the last time at which any Lender had a Total Credit Exposure), provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as applicable, was incurred by or asserted against the Administrative Agent in its capacity as such. To the extent that the Borrower fails to pay any amount required to be paid by it to the Issuing Bank or the Swingline Lender under paragraph (a) or (b) of this Section, each Revolving Lender severally agrees to pay to the Issuing Bank or the Swingline Lender, as applicable, an amount equal to the product of such unpaid amount multiplied by a fraction, the numerator of which is such Revolving Lender's Revolving Credit Exposure plus the unused portion of its Revolving Commitment and the denominator of which is the aggregate Revolving Credit Exposure of all Lenders plus the aggregate unused amount of all Revolving Commitments (in each case determined as of the time that the applicable unreimbursed expense or indemnity payment is sought or, in the event that no Revolving Lender shall have any Revolving Credit Exposure or unused Revolving Commitment at such time, as of the last time at which any Revolving Lender had any Revolving Credit Exposure or unused Revolving Commitment), provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as applicable, was incurred by or asserted against the Issuing Bank or the Swingline Lender, as the case may be, in its capacity as such.

(d) To the extent permitted by applicable law, no Loan Party shall assert, and each Loan Party hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct and actual damages) arising out of, in connection with, or as a result of, any Loan Document or any agreement, instrument or other document contemplated thereby, the Transactions or any Loan or any Letter of Credit or the use of the proceeds thereof.

(e) All amounts due under this Section shall be payable promptly but in no event later than ten Business Days after written demand therefor.

Section 10.4. Successors and Assigns

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (1) to an assignee in accordance with the provisions of paragraph (b) of this Section, (1) by way of participation in accordance with the provisions of paragraph (d) of this Section or (1) by way of pledge or assignment of a security interest subject to the restrictions of paragraph (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void).

Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in paragraph (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each Credit Party) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans and obligations in respect of its LC Exposure and Swingline Exposure at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitments and the Loans and obligations in respect of its LC Exposure and Swingline Exposure at the time owing to it or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in paragraph (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Acceptance, as of the Trade Date) shall not be less than $2,000,000, in the case of any assignment in respect of a revolving facility, or $1,000,000, in the case of any assignment in respect of a term facility, unless the Administrative Agent consents (such consent not to be unreasonably withheld or delayed) and, so long as no Event of Default has occurred and is continuing, the Borrower consents (in its sole discretion).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Commitment assigned, except that this clause (ii) shall not prohibit any Lender from assigning all or a portion of its rights and obligations among such Loans or Commitments on a non-pro rata basis.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by paragraph (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) an Event of Default has occurred and is continuing at the time of such assignment or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within 5 Business Days after having received notice thereof;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of (i) an unfunded or revolving facility if such assignment is to a Person that is not a Lender with a Commitment in respect of such facility, an Affiliate of such Lender or an Approved Fund with respect to such Lender or (ii) a funded term facility to a Person who is not a Lender, an Affiliate of a Lender or an Approved Fund; and

(C) the consent of the Issuing Bank (such consent not to be unreasonably withheld or delayed) shall be required for any assignment that increases the obligation of the assignee to participate in exposure under one or more Letters of Credit (whether or not then outstanding) and the Swingline Lender (such consent not to be unreasonably withheld or delayed) shall be required for any assignment in respect of the revolving facility.

(iv) Assignment and Acceptance. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of $3,500, and the assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire, provided that assignments made by any Co-Lead Arranger or its Affiliate in connection with the initial syndication of the Term B Loans shall not be subject to such recordation fee.

(v) No Assignment to Certain Parties. No such assignment shall be made to any Loan Party, any of its subsidiaries or any of their respective Affiliates.

(vi) No Assignment to Natural Persons. No such assignment shall be made to a natural person.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to paragraph (c) of this Section, from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 3.5, 3.6, 3.7 and 10.3 with respect to claims arising from facts and circumstances occurring prior to the effective date of such assignment. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section.

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at one of its offices in New York, New York a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent and the Lenders may treat each Person

whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender (with respect to its own interest only), at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural person, any Loan Party, any of its subsidiaries or any of their respective Affiliates) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent and each Credit Party shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso in Section 10.2(b) that directly affects such Participant. Subject to paragraph (e) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.5, 3.6 and 3.7 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.8 as though it were a Lender, provided such Participant agrees to be subject to Section 2.11(c) as though it were a Lender.

(e) Limitations upon Participant Rights. A Participant shall not be entitled to receive any greater payment under Sections 3.5 or 3.7 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 3.7 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 3.7(e) and (f) as though it were a Lender.

(f) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

Section 10.5. Survival

All covenants, agreements, representations and warranties made by the Loan Parties herein and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied

upon by the other parties hereto and shall survive the execution and delivery of any Loan Document and the making of any Loans and the issuance of any Letter of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that any Credit Party may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any LC Disbursement or any fee or any other amount payable under the Loan Documents is outstanding and unpaid (other than contingent or indemnification obligations not then due) or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 3.5, 3.6, 3.7 and 10.3, 10.9, 10.10 and Article 9 shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans and the LC Disbursements, the expiration or termination of the Letters of Credit and the termination of the Commitments or the termination of this Agreement or any provision hereof.

Section 10.6. Counterparts; Integration; Effectiveness

This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which, when taken together, shall constitute a single contract. This Agreement and any separate letter agreements with respect to fees payable to any Credit Party constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Delivery of an executed counterpart of this Agreement by facsimile transmission or electronic photocopy (i.e., "pdf") shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 10.7. Severability

In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction).

Section 10.8. Right of Setoff

If an Event of Default under Section 8(a) or (f) shall have occurred and be continuing, each of the Lenders and their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to setoff and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by it to or for the credit or the account of the Borrower against any of and all the obligations of the Borrower now or hereafter existing under this Agreement held by it, irrespective of whether or not it shall have made any demand under this Agreement and although such obligations may be unmatured. Each Lender and Affiliate agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application. The rights of each of the Lenders and

their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that it may have.

Section 10.9. Governing Law; Waiver of Jury Trial

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR, TO ITS KNOWLEDGE, OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS TO WHICH IT IS A PARTY BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 10.10. Submission To Jurisdiction; Waivers

Each party hereto hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to it at its address set forth in Section 10.1 or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

Section 10.11. Headings

Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

Section 10.12. Interest Rate Limitation

Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts that are treated as interest on such Loan under applicable law (collectively the "charges"), shall exceed the maximum lawful rate (the "maximum rate") that may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all of the charges payable in respect thereof, shall be limited to the maximum rate and, to the extent lawful, the interest and the charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated, and the interest and the charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the maximum rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

Section 10.13. Patriot Act

Each Lender that is subject to the Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name, address and tax identification number of the Borrower and other information regarding the Borrower that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower in accordance with the Patriot Act. This notice is given in accordance with the requirements of the Patriot Act and is effective as to the Lenders and the Administrative Agent.

Section 10.14. Confidentiality

(a) Each of the Administrative Agent, the Issuing Bank and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (i) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential and the disclosing party will be responsible for any disclosure by such Persons), (ii) to the extent requested by any regulatory authority (including any self-

regulatory authority having supervisory jurisdiction over such Person), (iii) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (iv) to any other party to this Agreement, (v) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (vi) subject to an agreement containing provisions substantially the same as those of this Section, to (A) any assignee under Section 10.4 or pledgee under Section 10.4(f) of or Participant in (or trustee for such assignee, pledge or Participant), or any prospective assignee under Section 10.4 or pledgee under Section 10.4(f) of or Participant in (or trustee for such assignee, pledge or Participant), any of its rights or obligations under this Agreement or (B) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (vii) with the consent of the Borrower or (viii) to the extent such Information (A) becomes publicly available other than as a result of a breach of this Section or an agreement described in clause (vi) above or (B) becomes available to the Administrative Agent, the Issuing Bank or any Lender on a non-confidential basis from a source other than the Borrower and the known Affiliates and representatives thereof (other than a source actually known by such disclosing Person to be bound by confidentiality obligations with respect thereof). For the purposes of this Section, "Information" means all information received from or on behalf of the Borrower relating to the Borrower, any Loan Party or any of their Affiliates or their respective businesses, other than any such information that is available to the Administrative Agent, Issuing Bank or Lender on a non-confidential basis prior to disclosure by or on behalf of the Borrower (other than from a source actually known by such party to be bound by confidentiality obligations). Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

(b) EACH LENDER ACKNOWLEDGES THAT CONFIDENTIAL INFORMATION AS DEFINED IN SECTION 10.14 FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE LOAN PARTIES AND THEIR AFFILIATES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

(c) ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY THE LOAN PARTIES OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE BORROWER, THE OTHER LOAN PARTIES AND THEIR AFFILIATES OR THEIR RESPECTIVE SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE BORROWER AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE DELIVERED TO THE ADMINISTRATIVE AGENT A CREDIT CONTACT WHO MAY RECEIVE INFORMATION

THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW.

Section 10.15. Amendment and Restatement

The parties to this Credit Agreement agree that, effective upon the Fourth Restatement Closing Date, the terms and provisions of the Existing Credit Agreement shall be amended, superseded, restated and consolidated in their entirety without a breach in continuity by the terms and provisions of this Credit Agreement and, unless expressly stated to the contrary, each reference to the Existing Credit Agreement in any of the Loan Documents or any other document, instrument or agreement delivered in connection therewith shall mean and be a reference to this Credit Agreement. This Credit Agreement is not intended to and shall not constitute a novation of the Existing Credit Agreement or the obligations and liabilities thereunder.

Section 10.16. No Fiduciary Duty

Each Loan Party agrees that in connection with all aspects of the transactions contemplated hereby and any communications in connection therewith, such Loan Party and its Affiliates, on the one hand, and the Administrative Agent, each Lead Arranger, the Documentation Agent, the Syndication Agent, the other Credit Parties and their respective Affiliates, on the other hand, will have a business relationship that does not create, by implication or otherwise, any fiduciary duty on the part of the Administrative Agent, any Arranger, the Documentation Agent, the Syndication Agent, the other Credit Parties or their respective Affiliates and no such duty will be deemed to have arisen in connection with any such transactions or communications.

Section 10.17. Savings Clause

(a) Each of the Guarantees set forth herein and each Security Document each to the extent amended as provided herein, shall remain in full force and effect and continue to secure the Obligations.

(b) Nothing in this Agreement shall affect the rights of the Credit Parties to payments under Articles 3 and 11 for the period prior to the Fourth Restatement Date and such rights shall continue to be governed by the provisions of the Existing Credit Agreement.

ARTICLE 11

GUARANTEE

Section 11.1. Guarantee; Fraudulent Transfer, Etc.; Contribution

(a) Guarantee. Each Guarantor unconditionally guarantees, jointly with the other Guarantors and severally, as a primary obligor and not merely as a surety, the Obligations (other than Obligations which constitute Excluded Swap Obligations). Each Guarantor further agrees that the Obligations may be extended or renewed, in whole or in part, without notice to or

further assent from it and that it will remain bound upon its guarantee notwithstanding any extension or renewal of any Obligation.

(b) Guarantee of Payment. Each Guarantor further agrees that its guarantee hereunder constitutes a guarantee of payment when due and not of collection, and waives any right to require that any resort be had by the Administrative Agent or any other Secured Party to any of the security held for payment of the Obligations or to any balance of any deposit account or credit on the books of the Administrative Agent or any other Secured Party in favor of the Borrower or any other Person.

(c) Fraudulent Transfer. Anything in this Article 11 to the contrary notwithstanding, (i) the obligations of each Subsidiary Guarantor hereunder shall be limited to a maximum aggregate amount equal to the greatest amount that would not render such Subsidiary Guarantor's obligations hereunder subject to avoidance as a fraudulent transfer, obligation or conveyance under Section 548 of Title 11 of the United States Code or any provisions of applicable state law (collectively, the "Fraudulent Transfer Laws"), in each case after giving effect to all other liabilities of such Subsidiary Guarantor, contingent or otherwise, that are relevant under the Fraudulent Transfer Laws (specifically excluding, however, any liabilities of such Subsidiary Guarantor (A) in respect of intercompany debt owed or owing to the Parent or Affiliates of the Parent to the extent that such debt would be discharged in an amount equal to the amount paid by such Subsidiary Guarantor hereunder and (B) under any Guarantee of senior unsecured debt or Indebtedness subordinated in right of payment to the Obligations, which Guarantee contains a limitation as to maximum amount similar to that set forth in this clause (i), pursuant to which the liability of such Subsidiary Guarantor hereunder is included in the liabilities taken into account in determining such maximum amount) and after giving effect as assets to the value (as determined under the applicable provisions of the Fraudulent Transfer Laws) of any rights to subrogation, contribution, reimbursement, indemnity or similar rights of such Subsidiary Guarantor pursuant to (I) applicable law or (II) any agreement providing for an equitable allocation among such Subsidiary Guarantor and other Affiliates of the Borrower of obligations arising under guarantees by such parties (including the agreements described in Section 11.1(d)) and (ii) the Parent expressly subordinates any and all rights of subrogation, reimbursement, indemnity, exoneration, contribution or any other claim that it may now or hereafter have against the Borrower, any other Loan Party, any other guarantor or any other Person directly or contingently liable for the Obligations, or against or with respect to the property of the Borrower, such other Loan Party, such other guarantor or such other Person, arising from the existence or performance hereof, including, but not limited to, in the event that any money or property shall be transferred to any Credit Party by the Parent pursuant to this Article 11 in reduction of the Obligations or otherwise.

(d) Contributions. In addition to all rights of indemnity and subrogation the Subsidiary Guarantors may have under applicable law (but subject to this paragraph), the Borrower agrees that (i) in the event a payment shall be made by any Subsidiary Guarantor hereunder, the Borrower shall indemnify such Subsidiary Guarantor for the full amount of such payment, and such Subsidiary Guarantor shall be subrogated to the rights of the person to whom such payments shall have been made to the extent of such payment, and (ii) in the event that any assets of any Subsidiary Guarantor shall be sold pursuant to any Loan Document to satisfy any claim of any Secured Party,

the Borrower shall indemnify such Subsidiary Guarantor in an amount equal to the greater of the book value or the fair market value of the assets so sold. Each Subsidiary Guarantor (a "Contributing Subsidiary Guarantor") agrees (subject to this paragraph) that, in the event a payment shall be made by any other Subsidiary Guarantor hereunder or assets of any other Subsidiary Guarantor shall be sold pursuant to any Loan Document to satisfy a claim of any Secured Party and such other Subsidiary Guarantor (the "Claiming Subsidiary Guarantor") shall not have been fully indemnified by the Borrower as provided in this paragraph, the Contributing Subsidiary Guarantor shall indemnify the Claiming Subsidiary Guarantor in an amount equal to the amount of such payment or the greater of the book value or the fair market value of such assets, as applicable, in each case multiplied by a fraction of which the numerator shall be the net worth of the Contributing Subsidiary Guarantor on the date hereof and the denominator shall be the aggregate net worth of all the Subsidiary Guarantors on the date hereof (or, in the case of any Subsidiary Guarantor becoming a party hereto pursuant to Section 11.9, the date of the Guarantee Supplement executed and delivered by such Subsidiary Guarantor). Any Contributing Subsidiary Guarantor making any payment to a Claiming Subsidiary Guarantor pursuant to this paragraph shall be subrogated to the rights of such Claiming Subsidiary Guarantor under this paragraph to the extent of such payment. Notwithstanding any provision of this paragraph to the contrary, all rights of the Subsidiary Guarantors under this paragraph and all other rights of indemnity, contribution or subrogation under applicable law or otherwise shall be fully subordinated to the payment in full in cash of the Obligations. No failure on the part of the Borrower or any Subsidiary Guarantor to make the payments required by this paragraph (or any other payments required under applicable law or otherwise) shall in any respect limit the obligations and liabilities of any Subsidiary Guarantor with respect to its obligations under this paragraph, and each Subsidiary Guarantor shall remain liable for the full amount of the obligations of such Subsidiary Guarantor under this paragraph.

Section 11.2. Obligations Not Waived

To the fullest extent permitted by applicable law, each Guarantor waives presentment to, demand of payment from, and protest to any Loan Party of any of the Obligations, and also waives notice of acceptance of its guarantee and notice of protest for nonpayment. To the fullest extent permitted by applicable law, the obligations of each Guarantor hereunder shall not be affected by (i) the failure of the Administrative Agent or any other Secured Party to assert any claim or demand or to enforce or exercise any right or remedy against the Borrower or any other Guarantor under the provisions of this Agreement or any other Loan Document, or otherwise, (ii) any rescission, waiver, amendment or modification of, or any release from, any of the terms or provisions of this Article 11, any other Loan Document, any Guarantee or any other agreement, including with respect to any other Guarantor under this Article 11, (iii) the failure to perfect any security interest in, or the release of, any of the security held by or on behalf of the Administrative Agent or any other Secured Party, or (iv) any other circumstance that would constitute a surety defense (other than payment in full in cash of all of the Obligations).

Section 11.3. Security

Each Guarantor authorizes the Administrative Agent and each other Secured Party to (i) take and hold security for the payment of the obligations under the provisions of this Article 11

pursuant to the Security Documents and exchange, enforce, waive and release any such security, (ii) apply such security and direct the order or manner of sale thereof in accordance with the Loan Documents and (iii) release or substitute any one or more endorsees, other Guarantors or other obligors.

Section 11.4. No Discharge or Diminishment of Guarantee

The obligations of each Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason (other than the payment in full in cash of the Obligations), including any claim of waiver, release, surrender, alteration or compromise of any of the Obligations, and shall not be subject to any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of the Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Guarantor hereunder shall not be discharged or impaired or otherwise affected by the failure of the Administrative Agent or any other Secured Party to assert any claim or demand or to enforce any remedy under this Agreement, any other Loan Document or any other agreement, by any waiver or modification of any provision of any thereof, by any default, failure or delay, willful or otherwise, in the performance of the Obligations, or by any other act or omission that may or might in any manner or to any extent vary the risk of any Guarantor or that would otherwise operate as a discharge of any Guarantor as a matter of law or equity (other than the payment in full in cash of all the Obligations).

Section 11.5. Defenses of Borrower Waived

To the fullest extent permitted by applicable law, each of the Guarantors waives any defense based on or arising out of any defense of the Borrower or any other Loan Party or the unenforceability of the Obligations or any part thereof from any cause, or the cessation from any cause of the liability of the Borrower or any other Loan Party, other than the payment in full in cash of the Obligations. The Administrative Agent and the other Secured Parties may, at their election, foreclose on any security held by one or more of them by one or more judicial or nonjudicial sales, accept an assignment of any such security in lieu of foreclosure, compromise or adjust any part of the Obligations, make any other accommodation with the Borrower or any Guarantor or exercise any other right or remedy available to them against the Borrower or any Guarantor, without affecting or impairing in any way the liability of any Guarantor hereunder except to the extent the Obligations have been fully paid in cash. Pursuant to applicable law, each Guarantor waives any defense arising out of any such election even though such election operates, pursuant to applicable law, to impair or to extinguish any right of reimbursement or subrogation or other right or remedy of such Guarantor against the Borrower or any other Guarantor, as applicable, or any security.

Section 11.6. Agreement to Pay; Subordination

In furtherance of the foregoing and not in limitation of any other right that the Administrative Agent or any other Secured Party has at law or in equity against any Guarantor by virtue hereof, upon the failure of the Borrower or any other Loan Party to pay any Obligation (other than Excluded Swap Obligations) when and as the same shall become due, whether at maturity, by acceleration, after notice of prepayment or otherwise, each Guarantor hereby promises to and will

forthwith pay, or cause to be paid, to the Administrative Agent or such other Secured Party as designated thereby in cash the amount of such unpaid Obligations. Upon payment by any Guarantor of any sums to the Administrative Agent or any Secured Party as provided above, all rights of such Guarantor against the applicable Loan Party arising as a result thereof by way of right of subrogation, contribution, reimbursement, indemnity or otherwise shall in all respects be subordinate and junior in right of payment to the prior payment in full in cash of the Obligations. In addition, any debt or Lien of the Borrower or any other Loan Party now or hereafter held by any Guarantor is hereby subordinated in right of payment and priority to the prior payment in full in cash of the Obligations and the Liens created under the Loan Documents (provided that, payments on such debt may be made at any time when no Event of Default has occurred and is continuing). If any amount shall erroneously be paid to any Guarantor on account of (i) such subrogation, contribution, reimbursement, indemnity or similar right or (ii) any such debt of the Borrower or such other Loan Party, such amount shall be held in trust for the benefit of the Secured Parties and shall forthwith be paid to the Administrative Agent to be credited against the payment of the Obligations, whether matured or unmatured, in accordance with the terms of the Loan Documents.

Section 11.7. Information

Each Guarantor assumes all responsibility for being and keeping itself informed of each Loan Party's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Obligations and the nature, scope and extent of the risks that such Guarantor assumes and incurs hereunder, and agrees that none of the Administrative Agent or the other Secured Parties will have any duty to advise any of the Guarantors of information known to it or any of them regarding such circumstances or risks.

Section 11.8. Termination

(a) The guarantees made hereunder (i) shall terminate when all the Obligations have been paid in full in cash, all Letters of Credit have expired and all LC Disbursements have been reimbursed, and the Lenders have no further commitment to lend or otherwise extend credit under this Agreement and (ii) shall continue to be effective or be reinstated, as applicable, if at any time payment, or any part thereof, of any Obligation is rescinded or must otherwise be restored by any Secured Party or any Guarantor upon the bankruptcy or reorganization of any Loan Party or otherwise.

(b) If any Equity Interest in any Subsidiary Guarantor is sold, transferred or otherwise disposed of pursuant to a transaction permitted by the Loan Documents and, immediately after giving effect thereto, such Subsidiary Guarantor shall no longer be a Subsidiary, then the obligations of such Subsidiary Guarantor under this Article 11 shall be automatically released.

Section 11.9. Additional Guarantors

Upon execution and delivery after the date hereof by the Administrative Agent and a Subsidiary of a Guarantee Supplement, such Subsidiary shall become a Subsidiary Guarantor hereunder with the same force and effect as if originally named as a Subsidiary Guarantor herein. The execution and delivery of any Guarantee Supplement shall not require the consent of any other

Loan Party. The rights and obligations of each Guarantor hereunder shall remain in full force and effect notwithstanding the addition of any new Subsidiary Guarantor as a party to this Agreement.

Section 11.10. Keepwell

Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Loan Party to honor all of its Guarantee obligations under this Article 11 in respect of Swap Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable under this Section 11.10 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 11.10, or its Guarantee obligations under this Article 11, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Section shall remain in full force and effect until such Qualified ECP Guarantor's obligations under this Article 11 terminate pursuant to Section 11.8. Each Qualified ECP Guarantor intends that this Section 11.10 constitute, and this Section 11.10 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Loan Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

[*the remainder of this page has been intentionally left blank*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

GCI HOLDINGS, INC.

By: /s/ Thomas C. Chesterman
Name: Thomas C. Chesterman
Title: Vice President, Finance

GCI, INC.

By: /s/ Thomas C. Chesterman
Name: Thomas C. Chesterman
Title: Vice President, Finance

ALASKA UNITED FIBER SYSTEM PARTNERSHIP

By: GCI Holdings, Inc., its general partner

By: /s/ Thomas C. Chesterman
Name: Thomas C. Chesterman
Title: Vice President, Finance

By: GCI Communication Corp., its general partner

By: /s/ Thomas C. Chesterman
Name: Thomas C. Chesterman
Title: Vice President, Finance

THE ALASKA WIRELESS NETWORK, LLC

By: /s/ Bruce L. Broquet
Name: Bruce L. Broquet
Title: Chief Financial Officer

CYCLE30, INC.

By: /s/ Thomas C. Chesterman
Name: Thomas C. Chesterman
Title: Vice President, Finance

DENALI MEDIA HOLDINGS, CORP.

By: /s/ Thomas C. Chesterman
Name: Thomas C. Chesterman
Title: Vice President, Finance

GCI CABLE, INC.

By: /s/ Thomas C. Chesterman
Name: Thomas C. Chesterman
Title: Vice President, Finance

GCI COMMUNICATION CORP.

By: /s/ Thomas C. Chesterman
Name: Thomas C. Chesterman
Title: Vice President, Finance

GCI FIBER COMMUNICATION CO., INC.

By: /s/ Thomas C. Chesterman
Name: Thomas C. Chesterman
Title: Vice President, Finance

GCI NADC LLC

By: /s/ Thomas C. Chesterman
Name: Thomas C. Chesterman
Title: Vice President, Finance

GCI SADC LLC

By: /s/ Thomas C. Chesterman
Name: Thomas C. Chesterman
Title: Vice President, Finance

GCI WIRELESS HOLDINGS, LLC

By: /s/ Thomas C. Chesterman
Name: Thomas C. Chesterman
Title: Vice President, Finance

INTEGRATED LOGIC LLC

By: /s/ Thomas C. Chesterman
Name: Thomas C. Chesterman
Title: Vice President, Finance

POTTER VIEW DEVELOPMENT CO., INC.

By: /s/ Thomas C. Chesterman
Name: Thomas C. Chesterman
Title: Vice President, Finance

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK, as a Lender, the Swingline Lender, the Issuing Bank, and the Administrative Agent

By: /s/ Tanya Crossley
Name: Tanya Crossley
Title: Managing Director

By: /s/ Kestrina Budina
Name: Kestrina Budina
Title: Director

SUNTRUST BANK, as Co—Syndication Agent and as a Lender

By: /s/ Marshall T. Mangum, III
Name: Marshall T. Mangum, III
Title: Director

BANK OF AMERICA, N.A., as Documentation Agent and as a Lender

By: /s/ Gordon H. Gray
Name: Gordon H. Gray
Title: Senior Vice President

MUFG UNION BANK, N.A., (f/k/a UNION BANK, N.A.) as Co—Syndication Agent and as a Lender

By: /s/ David Hill
Name: David Hill
Title: Vice President

COBANK, ACB, as a Lender

By: /s/ Ted Koerner
Name: Ted Koerner
Title: Managing Director

DEUTSCHE BANK TRUST COMPANY AMERICAS, as a Lender

By: /s/ Anca Trifan
Name: Anca Trifan
Title: Managing Director

By: /s/ Peter Cuochiara
Name: Peter Cuochiara
Title: Vice President

ROYAL BANK OF CANADA, as a Lender

By: /s/ Edward Valderrama
Name: Edward Valderrama
Title: Authorized Signatory

WELLS FARGO BANK, N.A., as a Lender

By: /s/ Chris Clifford
Name: Chris Clifford
Title: Vice President

NORTHRIM BANK, as a Lender

By: /s/ Steven L. Hartung
Name: Steven L. Hartung
Title: EVP

Exhibit 21.1

SUBSIDIARIES OF THE REGISTRANT

Entity	Jurisdiction of Organization	Name Under Which Subsidiary Does Business
Alaska United Fiber System Partnership	Alaska	Alaska United Fiber System Partnership, Alaska United Fiber System, Alaska United
GCI Communication Corp.	Alaska	GCI, GCC, GCICC, GCI Communication Corp.
GCI, Inc.	Alaska	GCI, GCI, Inc.
GCI Cable, Inc.	Alaska	GCI Cable, GCI Cable, Inc.
GCI Holdings, Inc.	Alaska	GCI Holdings, Inc.
Potter View Development Co., Inc.	Alaska	Potter View Development Co., Inc.
GCI Fiber Communication, Co., Inc.	Alaska	GCI Fiber Communication, Co., Inc., GFCC, Kanas
Cycle30, Inc.	Alaska	Cycle30, Inc., Cycle30
GCI Wireless Holdings, LLC	Alaska	GCI Wireless Holdings, LLC
The Alaska Wireless Network, LLC	Delaware	The Alaska Wireless Network, AWN
Denali Media Holdings, Corp.	Alaska	Denali Media Holdings, Corp.
Denali Media Anchorage, Corp.	Alaska	Denali Media Anchorage, Corp.
Denali Media Juneau, Corp.	Alaska	Denali Media Juneau, Corp.
Denali Media Southeast, Corp.	Alaska	Denali Media Southeast, Corp.
GCI Community Development, LLC	Alaska	GCI Community Development, LLC
Integrated Logic, LLC	Alaska	GCI, Integrated Logic
GCI NADC, LLC	Alaska	GCI, GCI NADC, LLC
GCI SADC, LLC	Alaska	GCI, GCI SADC, LLC
Unicom, Inc.	Alaska	Unicom, Inc., Unicom
United-KUC, Inc.	Alaska	United-KUC, Inc., United-KUC, KUC
United Utilities, Inc.	Alaska	United Utilities, Inc. United Utilities, UUI
United2, LLC	Alaska	United2, LLC, United2

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our reports dated March 5, 2015, with respect to the consolidated financial statements and internal control over financial reporting included in the Annual Report of General Communication, Inc. on Form 10-K for the year ended December 31, 2014. We hereby consent to the incorporation by reference of said reports in the Registration Statements of General Communication, Inc. on Forms S-8 (File Nos. 33-60728, 333-08760, 333-66877, 333-45054, 333-106453, 333-152857, 33-60222, 333-08758, 333-08762, 333-87639, 333-59796, 333-99003, 333-117783, 333-144916, 333-165878, and 333-188434).

/s/ GRANT THORNTON LLP

Anchorage, Alaska
March 5, 2015

Exhibit 31.1

SECTION 302 CERTIFICATION

I, Ronald A. Duncan, certify that:

1. I have reviewed this annual report on Form 10-K of General Communication, Inc. for the period ended December 31, 2014;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 5, 2015

/s/ Ronald A. Duncan

Ronald A. Duncan
President and Director

Exhibit 31.2

SECTION 302 CERTIFICATION

I, Peter J. Pounds, certify that:

1. I have reviewed this annual report on Form 10-K of General Communication, Inc. for the period ended December 31, 2014;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 5, 2015

/s/ Peter J. Pounds

Peter J. Pounds

Senior Vice President, Chief Financial Officer, and Secretary (Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of General Communication, Inc. (the "Company") on Form 10-K for the period ended December 31, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ronald A. Duncan, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: March 5, 2015

/s/ Ronald A. Duncan

Ronald A. Duncan
Chief Executive Officer
General Communication, Inc.

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of General Communication, Inc. (the "Company") on Form 10-K for the period ended December 31, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Peter J. Pounds, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: March 5, 2015

/s/ Peter J. Pounds

Peter J. Pounds
Chief Financial Officer
General Communication, Inc.