

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, 2019

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. 001-38385

GCI LIBERTY, INC.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

92-0072737
(I.R.S Employer
Identification No.)

12300 Liberty Boulevard
Englewood, Colorado
(Address of principal executive offices)

80112
(Zip Code)

Registrant's telephone number, including area code: **(720) 875-5900**

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

Title of each class	Trading Symbols	Name of exchange on which registered
Series A Common Stock, par value \$0.01 per share	GLIBA	The Nasdaq Stock Market LLC
Series A Cumulative Redeemable preferred stock, par value \$0.01 per share	GLIBP	The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: **None**

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

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the 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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (section 232.504 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

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

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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 common stock held by non-affiliates of the registrant, computed by reference to the price at which the common stock was last sold as of the close of trading on June 28, 2019 was \$6.2 billion.

The number of shares outstanding of the registrant's common stock as of January 31, 2020, was:

101,308,504 shares of Series A common stock; and 4,437,400 shares of Series B common stock

Documents Incorporated by Reference

The Registrant's definitive proxy statement for its 2020 Annual Meeting of Stockholders is hereby incorporated by reference into Part III of this Annual Report on Form 10-K.

GCI LIBERTY, INC.
2019 ANNUAL REPORT ON FORM 10-K

Table of Contents

	<u>Page</u>
<u>Part I</u>	
Item 1. Business	I-1
Item 1A. Risk Factors	I-14
Item 1B. Unresolved Staff Comments	I-29
Item 2. Properties	I-29
Item 3. Legal Proceedings	I-29
Item 4. Mine Safety Disclosures	I-29
<u>Part II</u>	
Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	II-1
Item 6. Selected Financial Data	II-3
Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations	II-4
Item 7A. Quantitative and Qualitative Disclosures About Market Risk	II-17
Item 8. Financial Statements and Supplementary Data	II-18
Item 9. Changes In and Disagreements With Accountants on Accounting and Financial Disclosure	II-18
Item 9A. Controls and Procedures	II-18
Item 9B. Other Information	II-19
<u>Part III</u>	
Item 10. Directors, Executive Officers and Corporate Governance	III-1
Item 11. Executive Compensation	III-1
Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	III-1
Item 13. Certain Relationships and Related Transactions, and Director Independence	III-1
Item 14. Principal Accounting Fees and Services	III-1
<u>Part IV</u>	
Item 15. Exhibits and Financial Statement Schedules	IV-1
Item 16. Form 10-K Summary	IV-4

PART I

Item 1. Business.

General Development of Business

On April 4, 2017, Liberty Interactive Corporation, now known as Qurate Retail, Inc. ("Qurate Retail"), entered into an Agreement and Plan of Reorganization (as amended, the "reorganization agreement" and the transactions contemplated thereby, the "Transactions") with General Communication, Inc. ("GCI"), an Alaska corporation, and Liberty Interactive LLC, a Delaware limited liability company and a direct wholly owned subsidiary of Qurate Retail ("LI LLC"). Pursuant to the reorganization agreement, GCI amended and restated its articles of incorporation (which resulted in GCI being renamed GCI Liberty, Inc. ("GCI Liberty")) and effected a reclassification and auto conversion of its common stock. Following these events, Qurate Retail acquired GCI Liberty on March 9, 2018 through a reorganization in which certain Qurate Retail interests, assets and liabilities attributed to its Ventures Group (following the reattribution by Qurate Retail of certain assets and liabilities from its Ventures Group to its QVC Group) were contributed to GCI Liberty in exchange for a controlling interest in GCI Liberty (the "contribution"). Qurate Retail and LI LLC contributed to GCI Liberty their entire equity interests in Liberty Broadband Corporation ("Liberty Broadband"), Charter Communications, Inc. ("Charter"), and LendingTree, Inc. ("LendingTree"), the Evite, Inc. ("Evite") operating business and other assets and liabilities (collectively, "HoldCo"), in exchange for (a) the issuance to LI LLC of a number of shares of GCI Liberty Class A common stock and a number of shares of GCI Liberty Class B common stock equal to the number of outstanding shares of Qurate Retail's Series A Liberty Ventures common stock and Qurate Retail's Series B Liberty Ventures common stock on March 9, 2018, respectively, (b) cash and (c) the assumption of certain liabilities by GCI Liberty.

The contribution was treated as a reverse acquisition under the acquisition method of accounting in accordance with generally accepted accounting principles in the United States ("GAAP"). For accounting purposes, HoldCo is considered to have acquired GCI Liberty in the contribution based, among other considerations, upon the fact that in exchange for the contribution of HoldCo, Qurate Retail received a controlling interest in the combined company of GCI Liberty.

Following the contribution and acquisition of GCI Liberty, Qurate Retail effected a tax free separation of its controlling interest in the combined company, GCI Liberty, to the holders of Qurate Retail's Liberty Ventures common stock in full redemption of all outstanding shares of such stock (the "HoldCo Split-Off"), in which each outstanding share of Qurate Retail's Series A Liberty Ventures common stock was redeemed for one share of GCI Liberty Class A common stock and each outstanding share of Qurate Retail's Series B Liberty Ventures common stock was redeemed for one share of GCI Liberty Class B common stock. In July 2018, the Internal Revenue Service ("IRS") completed its review of the HoldCo Split-Off and informed Qurate Retail that it agreed with the nontaxable characterization of the transactions. Qurate Retail received an Issue Resolution Agreement from the IRS documenting this conclusion.

On May 10, 2018, pursuant to the Agreement and Plan of Merger, dated as of March 22, 2018, GCI Liberty completed its reincorporation into Delaware by merging with its wholly owned Delaware subsidiary, which was the surviving corporation (the "Reincorporation Merger"). References to GCI Liberty or the Company prior to May 10, 2018 refer to GCI Liberty, Inc., an Alaska corporation and references to GCI Liberty after May 10, 2018 refer to GCI Liberty, Inc., a Delaware corporation.

Following the HoldCo Split-Off, Qurate Retail and GCI Liberty operate as separate, publicly traded companies, and neither have any stock ownership, beneficial or otherwise, in the other. In connection with the HoldCo Split-Off, Qurate Retail, Liberty Media Corporation ("Liberty Media") (or its subsidiary) and GCI Liberty entered into certain agreements in order to govern certain of the ongoing relationships among the companies after the HoldCo Split-Off and to provide for an orderly transition. These agreements include an indemnification agreement, a reorganization agreement, a services agreement, a facilities sharing agreement and a tax sharing agreement.

The reorganization agreement provides for, among other things, the principal corporate transactions (including the internal restructuring) required to effect the Transactions and certain conditions to and provisions governing the relationship between GCI Liberty and Qurate Retail (for accounting purposes a related party of GCI Liberty) with respect to and resulting from the Transactions. The tax sharing agreement provides for the allocation and indemnification of tax liabilities and benefits between Qurate Retail and GCI Liberty and other agreements related to tax matters. Pursuant to the tax sharing agreement, GCI Liberty has agreed to indemnify Qurate Retail for taxes and tax-related losses resulting from the Holdco Split-Off to the extent such taxes or tax-related losses (i) result primarily from, individually or in the aggregate, the breach of certain restrictive covenants made by GCI Liberty (applicable to actions or failures to act by GCI Liberty and its subsidiaries following the completion of the Holdco Split-Off), or (ii) result from Section 355(e) of the Internal Revenue Code applying to the Holdco

Split-Off as a result of the Holdco Split-Off being part of a plan (or series of related transactions) pursuant to which one or more persons acquire, directly or indirectly, a 50-percent or greater interest (measured by vote or value) in the stock of GCI Liberty (or any successor corporation). Pursuant to the services agreement, Liberty Media provides GCI Liberty with general and administrative services including legal, tax, accounting, treasury and investor relations support. See below for a description of an amendment to the services agreement entered into in December 2019. Under the facilities sharing agreement, GCI Liberty shares office space with Liberty Media and related amenities at its corporate headquarters. GCI Liberty reimburses Liberty Media for direct, out-of-pocket expenses incurred by Liberty Media in providing these services and for costs negotiated semi-annually.

In December 2019, the Company entered into an amendment to the services agreement with Liberty Media in connection with Liberty Media's entry into a new employment arrangement with Gregory B. Maffei, the Company's President and Chief Executive Officer. Under the amended services agreement, components of his compensation will either be paid directly to him by each of the Company, Liberty TripAdvisor Holdings, Inc., Liberty Broadband, and Qurate Retail (collectively, the "Service Companies") or reimbursed to Liberty Media, in each case, based on allocations among Liberty Media and the Service Companies set forth in the amended services agreement, currently set at 14% for the Company. The new agreement between Liberty Media and Mr. Maffei provides for a five year employment term which began on January 1, 2020 and ends December 31, 2024, with an aggregate annual base salary of \$3 million (with no contracted increase), an aggregate one-time cash commitment bonus of \$5 million, an aggregate annual target cash performance bonus of \$17 million, aggregate annual equity awards of \$17.5 million and aggregate equity awards granted in connection with his entry into his new agreement of \$90 million (the "upfront awards").

We refer to the combination of GCI Holdings, LLC ("GCI Holdings"), non controlling interests in Liberty Broadband, Charter and LendingTree, a controlling interest in Evite, and certain other assets and liabilities as "GCI Liberty", the "Company", "us", "we" and "our."

* * * * *

Certain statements in this Annual Report on Form 10-K constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the Company's business, product and marketing strategies; new service offerings; revenue growth; the recoverability of the Company's goodwill and other long-lived assets; the Company's projected sources and uses of cash; renewal of licenses; the effects of regulatory developments; the Rural Healthcare Program; the remediation of a material weakness; and the anticipated impact of certain contingent liabilities related to legal and tax proceedings and other matters arising in the ordinary course of business. In particular, statements under Item 1. "Business," Item 1A. "Risk-Factors," Item 2. "Properties," Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Item 7A. "Quantitative and Qualitative Disclosures About Market Risk" contain forward-looking statements. Where, in any forward-looking statement, the Company expresses an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished. The following include some but not all of the factors that could cause actual results or events to differ materially from those anticipated:

- Customer demand for the Company's products and services and the Company's ability to adapt to changes in demand;
- competitor responses to the Company's and its businesses' products and services;
- the levels of online traffic to the Company's businesses' websites and its ability to convert visitors into consumers or contributors;
- changes in, or failure or inability to comply with, government regulations, including, without limitation, regulations of the Federal Communications Commission ("FCC"), and adverse outcomes from regulatory proceedings;
- uncertainties inherent in the development and integration of new business lines and business strategies;
- future financial performance, including availability, terms and deployment of capital;
- the ability of suppliers and vendors to deliver products, equipment, software and services;
- cyberattacks or other network disruptions;
- the outcome of any pending or threatened litigation;
- availability of qualified personnel;
- changes in the nature of key strategic relationships with partners, distributors, suppliers and vendors;
- domestic and international economic and business conditions and industry trends, specifically the state of the Alaska economy;
- consumer spending levels, including the availability and amount of individual consumer debt;

- rapid technological changes;
- failure to protect the security of personal information about the Company's and its businesses' customers; and
- the regulatory and competitive environment of the industries in which the Company operates.

These forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this Annual Report, and the Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, to reflect any change in its expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based. When considering such forward-looking statements, you should keep in mind the factors described in Item 1A, "Risk Factors" and other cautionary statements contained in this Annual Report. Such risk factors and statements describe circumstances which could cause actual results to differ materially from those contained in any forward-looking statement.

This Annual Report includes information concerning companies in which the Company has controlling and non-controlling interests that file reports and other information with the Securities and Exchange Commission ("SEC") in accordance with the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Information in this Annual Report concerning those companies has been derived from the reports and other information filed by them with the SEC. If you would like further information about these companies, the reports and other information they file with the SEC can be accessed on the Internet website maintained by the SEC at www.sec.gov. Those reports and other information are not incorporated by reference in this Annual Report.

Narrative Description of Business

The following table identifies the Company's more significant subsidiaries and minority investments:

Consolidated Subsidiaries

GCI Holdings, LLC
Evite, Inc.

Equity Method Investments

Liberty Broadband Corporation (Nasdaq: LBRDA; LBRDK)
LendingTree, Inc. (Nasdaq: TREE)

GCI Holdings, LLC

GCI Holdings, a wholly owned subsidiary of the Company, provides a full range of wireless, data, video, voice, and managed services to residential customers, businesses, governmental entities, and educational and medical institutions primarily in Alaska under the GCI brand. Due to the unique nature of the markets it serves, including harsh winter weather and remote geographies, its customers rely extensively on its systems to meet their communication and entertainment needs.

Since its founding in 1979 as a competitive long distance provider, GCI Holdings has consistently expanded its product portfolio and facilities to become the leading integrated communication services provider in markets it serves. Its facilities include redundant and geographically diverse digital undersea fiber optic cable systems linking its Alaska terrestrial networks to the networks of other carriers in the lower 48 contiguous states and a statewide wireless network.

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

GCI Holdings' revenue was comprised of 51% from data services, 22% from wireless services and 27% from video, voice and other services for 2019. GCI Holdings' revenue was comprised of 49% from data services, 22% from wireless services and 29% from video, voice and other services from March 9, 2018 through December 31, 2018.

GCI Holdings has a history of making and integrating acquisitions of telecommunications providers and other providers of complementary services. Its management team will continue to pursue investments that it believes fit with its strategy and networks and that enhance earnings.

GCI Holdings sells new and enhanced services and products to its existing customer base to achieve increased revenue and penetration of its services. Through close coordination of its customer service and sales and marketing efforts, its customer service representatives suggest to its customers other services they can purchase or enhanced versions of services they already purchase. Many calls into the customer service centers or visits into one of the retail stores result in sales of additional services and products.

GCI Holdings operates its own customer service department and has empowered its customer service representatives to handle most service issues and questions on a single call. GCI Holdings prioritizes its customer services to expedite handling of its most valuable customers' issues, particularly for its largest commercial customers. GCI Holdings believes its integrated approach to customer service, including service set-up, programming various network databases with the customer's information, installation, and ongoing service, allows it to provide a customer experience that fosters customer loyalty.

GCI Holdings continues to expand and evolve its integrated network for the delivery of its services. GCI Holdings' bundled strategy and integrated approach to serving customers creates efficiencies of scale and maximizes network utilization. By offering multiple services, GCI Holdings is better able to leverage its network assets and increase returns on its invested capital. GCI Holdings periodically evaluates its network assets and continually monitors technological developments that it can potentially deploy to increase network efficiency and performance.

GCI Holdings does not hold franchises (with the exception of video services as described below) or concessions for communications services or local access services. GCI Holdings holds a number of federally registered service marks used by its business. It owns two utility patents issued in 2017 pertaining to device diagnostics and network connectivity. The Communications Act of 1934, as amended (the "Communications Act"), gives the FCC the authority to license and regulate the use of the electromagnetic spectrum for radio communications. GCI Holdings holds licenses for its satellite and microwave transmission facilities for provision of long-distance services. GCI Holdings holds various licenses for spectrum and broadcast television use. These licenses may be revoked and license renewal applications may be denied for cause. However, GCI Holdings expects these licenses to be renewed in due course when, at the end of the license period, a renewal application will be filed.

GCI Holdings has 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. Its operations may require additional licenses in the future.

GCI Holdings is certified through the Regulatory Commission of Alaska ("RCA") to provide local, long distance, and 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.

Facilities. GCI Holdings operates a modern, competitive communications network providing switched and dedicated voice and broadband services. Its fiber network employs digital transmission technology over its fiber optic facilities within Alaska and between Alaska and the lower 48 states.

GCI Holdings serves many rural and remote Alaska locations solely via satellite communications. It operates a hybrid fiber optic cable and digital microwave system ("TERRA") linking Anchorage with the Bristol Bay, Yukon-Kuskokwim, and northwest regions of the state.

GCI Holdings owns and operates a statewide network providing voice and data services to the urban and rural communities of Alaska. Its statewide wireless network provides 4G LTE data service, EVDO, 3G UMTS/HSPA+, 2G CDMA, and 2G GSM/EDGE service. It continues to expand and upgrade these services to provide a modern network for Alaska.

GCI Holdings' dedicated Internet access and Internet protocol data services are delivered to an Ethernet port located at the service end-point. GCI Holdings' management platform continuously monitors the network and service end-points for

performance. 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 network elements and service end-points, permitting changes in configuration without the need to physically be at the service end-point. This management platform allows GCI Holdings to offer network monitoring and management services to businesses and governmental entities.

GCI Holdings' video businesses are located throughout Alaska and serve the majority of the population. Its facilities include hybrid-fiber-coax plant and head-end distribution equipment. The majority of its locations on the fiber routes are served from head-end distribution equipment in Anchorage. All of its cable systems are completely digital.

Evite

Evite is a digital invitation platform focused on bringing people together. With thousands of free and premium customizable designs which can be sent by email or text message, Evite makes celebrating face-to-face easier and more memorable for its over one hundred million annual users and their guests. Real-time messaging and RSVP tracking continue to make planning easier. Through Evite Donations, which has raised close to \$20 million dollars, users can invite guests to support a favorite charity or personal cause without leaving their invitation. Launched in 1998, Evite has sent nearly 3 billion invitations. Evite generates revenue primarily from the sale of digital advertising for publication on its platform, including custom display advertising, native advertising content, custom integrations and brand partnerships. Evite conducts advertising sales through its direct regional sales teams and programmatically through ad exchanges. Diversified revenue streams are an increasing part of Evite's business with a focus on premium invitation purchases and Evite Pro subscriptions, which accounted for more than a quarter of Evite revenue in 2019. Evite is headquartered in Los Angeles. Evite's competitors include Paperless Post and various social media platforms.

Liberty Broadband

Liberty Broadband consists of its wholly owned subsidiary Skyhook Holding, Inc. ("Skyhook") and an interest in Charter Communications, Inc. ("Charter"). Skyhook provides location determination and location intelligence and data insight services.

Charter is the second largest cable operator in the United States and a leading broadband communications services company providing video, Internet and voice services to approximately 29.2 million residential and small and medium business customers at December 31, 2019. Charter also offers mobile services to residential customers and recently launched mobile services to small and medium business customers. In addition, Charter sells video and online advertising inventory to local, regional and national advertising customers and tailored communications and managed solutions to large enterprise customers. Charter also owns and operates regional sports networks and local sports, news and community channels.

The Company owns an approximate 23.5% economic interest in Liberty Broadband as of December 31, 2019. Due to overlapping boards of directors and management, GCI Liberty has been deemed to have significant influence over Liberty Broadband (for accounting purposes) even though GCI Liberty does not have any voting rights (see note 7 of the Company's consolidated financial statements found in Part II of this report for additional information). GCI Liberty has elected to apply the fair value option for its investment in Liberty Broadband as it is believed that the Company's investors value this investment based on the trading price of Liberty Broadband.

LendingTree

LendingTree operates an online consumer platform for consumers seeking loans and other credit-based offerings. LendingTree offers consumers tools and resources, including free credit scores, that facilitate comparison-shopping for mortgage loans, home equity loan and lines of credit, reverse mortgage loans, auto loans, credit cards, deposit accounts, personal loans, student loans, small business loans, insurance quotes and other related offerings. LendingTree primarily seeks to match in-market consumers with multiple providers on its marketplace who can provide them with competing quotes for loans, deposit products, insurance or other related offerings they are seeking. LendingTree also serves as a valued partner to lenders and other providers seeking an efficient, scalable and flexible source of customer acquisition with directly measurable benefits, by matching the consumer inquiries it generates with these lenders. LendingTree is headquartered in Charlotte, North Carolina.

The Company owns approximately 26.5% of the outstanding common stock of LendingTree as of December 31, 2019. The Company has entered into an agreement with LendingTree pursuant to which, among other things, it has the right to nominate 20% of the members of LendingTree's board of directors. The Company has nominated two of the ten current board members.

Regulatory Matters

The Company's 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 the Company's businesses. Existing laws and regulations are reviewed frequently by legislative bodies, regulatory agencies, and the courts and are subject to change. The Company 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. The Company's wireless licensee subsidiaries 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 imposes significant regulation on licensees of wireless spectrum with respect to how radio spectrum is used by licensees, the nature of services licensees may offer and how such services may be offered, and the resolution of issues of interference between spectrum bands. 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 ("FAA") and FCC regulations governing the location, lighting, construction, modification, and registration of antenna structures on which GCI Holdings' 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.

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, GCI Holdings is an authorized ETC for purposes of providing wireless telephone service in many rural areas throughout Alaska. Without ETC status, GCI Holdings would not qualify for USF support in these areas or other rural areas where it proposes to offer facilities-based wireless telephone services, and its net cost of providing wireless telephone services in these areas would be materially adversely affected.

On August 31, 2016, the FCC published the Alaska High Cost Order. Per the Alaska High Cost Order, as of January 1, 2017, Remote (as defined by the Alaska High Cost Order) high cost support payments to Alaska High Cost participants are frozen on a per-company basis at adjusted December 2014 levels for a ten-year term in exchange for meeting individualized performance obligations to offer voice and broadband services meeting the service obligations at specified minimum speeds by five-year and ten-year service milestones to a specified number of locations. Remote high cost support is no longer dependent upon line counts and line count filings are no longer required. Under the terms of the Alaska High Cost Order, the FCC is to initiate a process in 2021 to eliminate duplicate support in areas that were served by more than one subsidized mobile wireless carrier as of December 31, 2020. As part of the Alaska High Cost Order, the FCC issued a Notice of Proposed Rulemaking seeking comment on how to implement that process. The FCC has not to date issued any further orders with respect to that process.

On December 1, 2017, the FCC released a Fourth Report and Order to reform and modernize the USF's Lifeline program ("Lifeline Order"). 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 current Lifeline program provides an enhanced \$25 monthly subsidy to qualifying subscribers that live on tribal lands ("Enhanced Tribal Subsidy"), which includes all of Alaska, in addition to the \$9.25 subsidy provided to all Lifeline subscribers. The Lifeline Order adopted several reforms, but, most significantly, it limited the Enhanced Tribal Subsidy to only those subscribers living in "rural" tribal areas. On February 1, 2019, the United States Court of Appeals for the D.C. Circuit ("D.C. Circuit") vacated the Lifeline Order as arbitrary and capricious, remanding the matter to the FCC for a new notice-and-comment-rulemaking proceeding. On November 14, 2019, the FCC released a Fifth Report and Order, Order on Reconsideration and Further Notice of Proposed Rulemaking ("FNPRM") regarding the Lifeline program. Although that Order adopted, and the FNPRM proposed, further program protections, the FNPRM did not propose limiting the Enhanced Tribal Subsidy to "rural" areas.

Interconnection. GCI Holdings has completed negotiations and the RCA has approved current direct wireless interconnection agreements with all of the major Alaska Incumbent Local Exchange Carriers ("ILECs"). These are in addition to indirect interconnection arrangements utilized elsewhere.

See "Narrative Description of Business — Regulatory Matters — 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 the caller's phone number and approximate location to local public safety dispatch agencies. Providers are required to transmit the geographic coordinates of the customer's location, for both indoor and outdoor locations, within accuracy parameters revised by the FCC, to be implemented over a phase-in period. The FCC also imposed requirements to allow users to text-to-911 if the local public safety dispatch agency requests and is able to receive such texts. 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. GCI Holdings has been able to meet FCC requirements for 911 location accuracy and text-to-911 to date; however, it may not be able to do so in the future, depending upon the extent of technology development.

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. Pursuant to Section 6409(a) of the Middle Class Tax Relief Act of 2012, state and local governments are further constrained in their regulation of changes to existing wireless infrastructure. Nonetheless, securing federal, state and local government approvals for new antenna structures has been and is likely to continue to be difficult, lengthy and costly.

Data Services and Products

General. There is no one entity or organization that governs the global operation of the Internet. Each facilities-based network provider that is interconnected with the global Internet controls operational aspects of its 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 GCI Holdings sells Internet-based 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 prohibited broadband providers from blocking or throttling most lawful public Internet traffic, from engaging in paid prioritization of that traffic, and from unreasonably interfering with or disadvantaging end users' and edge providers' ability to send traffic to, from, and among each other. The order also strengthened the FCC's 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 allowed broadband providers to engage in reasonable network management, including using techniques to address traffic congestion. These rules applied equally to wired and wireless broadband services. The order refrained from applying rate regulation and tariff requirements on broadband services. On January 4, 2018, the FCC released an order ("2018 Order") that returned to a Title I classification of Internet service and eliminated many of the requirements described above. On October 1, 2019, the United States Court of Appeals for the District of Columbia Circuit ("D.C. Circuit") ruled on numerous appeals of the 2018 Order by interested parties. The D.C. Circuit largely upheld the 2018 Order. However, it vacated that portion of the 2018 Order preempting inconsistent state or local regulations, and remanded the 2018 Order to the FCC for further consideration of its effect on public safety, pole attachment regulation, and the Lifeline support program. The D.C. Circuit's ruling may be subject to further judicial review.

There are various efforts in Congress and through state legislation to re-impose the rules adopted in 2015. For example, on September 30, 2018, California enacted the California Internet Consumer Protection and Net Neutrality Act of 2018, which establishes many of the requirements adopted by the FCC in 2015. California has agreed not to enforce the new law pending judicial review of the 2018 Order in the D.C. Circuit, and any subsequent proceedings before the U.S. Supreme Court. While GCI Holdings does not believe that the 2015 FCC order conflicts with its existing practices or offerings, the re-imposition of that regulatory framework would impose regulatory burdens, likely would increase its costs, and could adversely affect the manner and price of providing service.

On October 27, 2016, the FCC adopted rules governing how broadband internet access service providers may use and disclose certain customer information. Those rules were more restrictive in certain respects than the rules that apply to other entities in the internet economy, including Google and Facebook. On April 3, 2017, the President signed Pub. Law 115-22, which repealed the FCC's rules under the Congressional Review Act. Various efforts in Congress, at the FTC, and in state legislatures seek to regulate how service providers in the internet economy may use and disclose customer information. Those efforts could impact GCI Holdings' ability to use customer data and impose costs and operational challenges.

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 GCI Holdings' 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 GCI Holdings' net cost of and revenue from providing local services.

Rural Health Care Program. The USF Rural Health Care ("RHC") Program provides funding to eligible healthcare providers for telecommunications and broadband services. The RHC Telecommunications Program subsidizes the rates for telecommunications services provided to rural health care providers based on the difference between the urban and rural rates for such services. The Healthcare Connect Fund Program provides support for high-capacity broadband connectivity to eligible health care providers. In connection with receiving these subsidies, GCI Holdings prepares annual cost studies in support of the rates it charges, and submits these studies to the FCC for review.

Funding Year 2017 Rate Reduction. In November 2017, USAC requested further information in support of the rural rates charged to a number of GCI Holdings' RHC customers in connection with the funding requests for the year that runs July 1, 2017 through June 30, 2018. On October 10, 2018, GCI Holdings received a letter from the FCC's Wireline Competition Bureau ("Bureau") notifying it of the Bureau's decision to reduce the rural rates charged to RHC customers for the funding year that ended on June 30, 2018 by approximately 26% resulting in a reduction of total support payments of \$27.8 million. The FCC also informed GCI Holdings that the same cost methodology used for the funding year that ended on June 30, 2018 would be applied to rates charged to RHC customers in subsequent funding years. In response to the letter from the Bureau, GCI Holdings filed an Application for Review of the Bureau's decision with the FCC. This matter remains pending before the FCC.

RHC Program Funding Cap. On March 15, 2018, USAC announced that the funding requests for the year that runs July 1, 2017 through June 30, 2018 exceeded the funding available for the RHC Program. Since that time, on June 25, 2018, the FCC issued an order resulting in an increase of the annual RHC Program funding cap from \$400 million to \$571 million and applied it to the funding year that ended on June 30, 2018. The FCC also determined that it would annually adjust the RHC Program funding cap for inflation, beginning with the funding year ending on June 30, 2019 and carry-forward unused funds from past funding years for use in future funding years. As a result, aggregate funding is expected to be available to pay in full

the approved funding under the RHC program for the funding years ended on June 30, 2018 and 2019. On June 10, 2019, the FCC released a public notice noting that the funding cap for the funding year ending on June 30, 2020 is \$594 million, also noting that USAC projects that \$83 million in unused funds will be available for use in the funding year ending on June 30, 2020. On February 14, 2020, USAC informed the FCC that it had identified an additional \$162.7 million of unused funds available for use in future years, and that it had begun issuing commitments fully funding qualified single year requests in the Telecom and Healthcare Connect portions of the RHC programs for the funding year ending on June 30, 2020.

Enforcement Bureau Inquiry. In addition, on March 23, 2018, GCI Holdings received a separate letter of inquiry and request for information from the Enforcement Bureau of the FCC relating to the period beginning January 1, 2015 and including all future periods, to which it is in the process of responding. This includes inquiry into the rates charged by GCI Holdings that are still pending, and presently it is unable to assess the ultimate resolution of this rate inquiry. Other aspects related to the Enforcement Bureau's review of GCI Holdings' compliance with program rules are discussed separately below. The ongoing uncertainty in program funding, as well as the uncertainty associated with the rate review, could have an adverse effect on its business, financial position, results of operations or liquidity.

USAC Funding Denials. On November 30, 2018, GCI Holdings received multiple funding denial notices from USAC, denying requested funding from the RHC Program operated by a rural health customer (the "Customer") for the funding year that ended on June 30, 2018. In November 2017, USAC requested information from the Customer related to bidding process documentation for two separate service contracts GCI Holdings has with the Customer. Although the Customer timely responded, USAC found that bids previously received were not submitted with the original funding request and/or that bidding information submitted was related to the wrong bidding year. The Customer appealed this decision in early 2019 and on May 6, 2019 USAC denied the Customer's appeal. The Customer then appealed USAC's decision to the Bureau on July 5, 2019. As of March 31, 2019, GCI Holdings had accounts receivable of approximately \$21.3 million outstanding associated with these two service contracts, which is dependent upon receipt of funding from USAC. Given that USAC denied the Customer's appeal as specifically outlined in the May 6, 2019 letter received by the Customer, the Company determined at the time it was probable that GCI Holdings incurred a loss and an accounts receivable reserve was recorded in the amount of \$21.3 million and an associated bad debt expense was recorded during the first quarter of 2019 and included within Selling, general, and administrative expense in the consolidated statements of operations. Additionally, because of the uncertainty of the Customer's future appeals process and uncertainty relating to our ability to recover payment directly from the Customer, the Company no longer believed revenue associated with the two service contracts should be recognized. Historical annual revenue associated with the two service contracts was approximately \$12.0 million in total and was expected to be the same in future periods. Revenue has not been recognized beyond the first quarter of 2019.

On February 19, 2020, the Bureau issued an FCC order that granted the Customer's appeal for the two service contracts that were originally denied funding by USAC. In the order, the FCC has directed USAC to reverse its previous funding denials. Because the FCC order provides the Company with additional information subsequent to December 31, 2019 about the resolution of a contingency that existed as of year-end, the Company has recognized the impact of the FCC order in our consolidated financial statements. Such impact resulted in the reversal of the previously recorded \$21.3 million accounts receivable reserve and associated bad debt expense included within Selling, general, and administrative expense in the consolidated statements of operations.

Compliance with RHC Program Rules. In the fourth quarter of 2019, the Company became aware of potential RHC Program compliance issues related to certain of GCI Holdings' currently active and expired contracts with certain of its RHC customers. The Company and its external experts performed significant and extensive procedures to determine whether GCI Holdings' currently active and expired contracts with its RHC customers would be deemed to be in compliance with the RHC Program rules. Based on these procedures, the Company accrued a loss of approximately \$17.0 million for contracts that are deemed probable of not complying with the RHC Program rules. The Company also identified certain contracts where additional loss was reasonably possible and such loss could range from zero to \$44 million. An accrual was not made for the amount of the reasonably possible loss in accordance with the applicable accounting guidance. GCI Holdings could also be assessed fines and penalties but such amounts could not be reasonably estimated. GCI Holdings has notified the FCC of its potential compliance issues and will continue to work with the FCC to resolve such matters. See note 16 to the consolidated financial statements for further discussion.

Revision of Support Calculations and Approval. On August 20, 2019, the FCC released an order adopting changes to the RHC Program that will revise the manner in which support issued under the RHC Program will be calculated and approved. Some of these changes will become effective beginning with the funding year ending June 30, 2021, while others will apply beginning with the funding year ending June 30, 2022. On October 21, 2019, GCI Holdings appealed the order to the United States Court of Appeals for the District of Columbia Circuit. On December 6, 2019, that appeal was held in abeyance for nine

months due to pending Petitions for Reconsideration filed by other parties at the FCC. The proposed methodology for calculating and approving support under these changes relies on information that has not yet been collected and analyzed by USAC, and therefore GCI Holdings cannot assess at this time the substance, impact on funding, or timing of these changes adopted by the FCC, although these changes could potentially reduce support under the RHC Program.

Schools and Libraries Program. In 2014, the FCC adopted orders modernizing the USF Schools and Libraries Program ("E-Rate"), which aids schools and libraries in obtaining affordable broadband. 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. These orders did not have a material effect on the overall E-Rate support available to GCI Holdings' schools and libraries customers, and therefore did not materially affect its revenue from such customers. See Item 1A. Risk Factors for additional risks related to the Company's participation in this USF program.

Other Federal Activities. Congress and certain federal agencies are considering ways to streamline federal permitting obligations and to provide additional financial support for broadband services in areas that are difficult to serve. GCI Holdings continues to monitor these activities and cannot predict at this time whether those efforts will make a material difference to its ability to deploy broadband infrastructure.

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. GCI Holdings believes that it has generally met the terms of its franchises, which do not require periodic renewal, and has provided quality levels of service. Military franchise requirements also affect its ability to provide video services to military bases.

Must Carry/Retransmission Consent. The Cable Television Consumer Protection Act of 1992 (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. In July 2019, the FCC modified these rules such that broadcasters need only send carriage election notices to multichannel video programming distributors when first electing carriage or changing their carriage election status from must carry to retransmission consent or vice versa.

The FCC rules require cable operators to carry the digital programming streams of broadcast television stations who elect "Must Carry." The current rules do not require any cable operator to carry multiple digital programming streams from a single broadcast television station, but should the FCC change this policy, GCI Holdings 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.

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, in 2011, the FCC adopted an order to rationalize different pole attachment rates among types of services, and on November 17, 2015, took further steps to bring telecommunications and cable pole attachment rates into parity. Though the general purpose of the rule changes was to ensure pole attachment rates as low and as uniform as possible, GCI Holdings does not expect the rules to have an impact on the terms under which it accesses poles. GCI Holdings 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 its 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 revenue 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. GCI Holdings cannot predict the outcome of this legislative review, which could adversely affect its ability

to obtain desired broadcast programming or affect the cost of that programming. Copyright clearances for non-broadcast programming services are arranged through private negotiations.

Wireline Voice Services and Products

General. As an interexchange carrier, GCI Holdings is 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, GCI Holdings is subject to regulation by the FCC and the RCA as a non-dominant provider of local communications services, although as of November 2019, the Alaska Legislature eliminated the RCA's regulation of rates but retained its certificate authority related to intrastate long-distance and local communications services through the passage of Senate Bill 83. Military franchise requirements also affect GCI Holdings' ability to provide communications services to military bases.

Universal Service for Rural and High Cost Areas. The USF provides support to ETCs related to their provision of facilities-based wireline telephone service in high cost areas. Under the Alaska High Cost Order, GCI Holdings receives this support for its incumbent local exchange carrier operations, which are Eligible Telecommunications Carriers (ETCs) under FCC regulations and RCA Orders. This support is frozen at the 2011 levels for High Cost Loop Support and Interstate Common Line Support that those operations, with certain adjustments. The support has a ten-year term, from January 1, 2017 to December 31, 2026. Without ETC status, GCI Holdings would not qualify for USF support in these areas, and its net cost of providing local telephone services in these areas would be materially adversely affected. See "Description of Our Business - Regulation - Wireless Services and Products - Universal Service" for information on USF reform. Pursuant to the Alaska High Cost Order, GCI Holdings must meet certain performance requirements with respect to the offering of broadband services in its incumbent local exchange carrier areas. The FCC directed its Wireline Competition Bureau to reassess those performance commitments before December 31, 2021. If GCI Holdings fails to meet these performance requirements, it will be subject to repayment of a portion of the high cost support received, as specified in the Alaska High Cost Order. Although GCI Holdings formerly received high cost support for service provided by its competitive local exchange carrier operations, the phase-down of that support pursuant to the Alaska High Cost Order concluded on December 31, 2018.

Rural Exemption and Interconnection. A Rural Telephone Company is exempt from compliance with certain material interconnection requirements under Section 251(c) of the Communications Act of 1934, as amended by the Telecommunications Act of 1996, 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 Alaska Communications Systems Group, Inc. ("ACS") in its Anchorage study area. GCI Holdings participated in numerous proceedings regarding the rural exemptions of various ILECs 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.

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

See "Narrative Description of Business — 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. In 2011, the FCC released rules to restructure and reduce over time terminating interstate access charges, along with a proposal to adopt similar reforms applicable to originating interstate access charges. The details of implementation in general and between different classes of technology continue to be addressed by the FCC, and could affect the economics of some aspects of GCI Holdings' business. GCI Holdings cannot predict at this time the impact of this implementation or future implementation of adopted reforms, but GCI Holdings does not expect it to have a material adverse impact on its operations.

Unbundled Network Elements. The ability to obtain unbundled network elements ("UNEs") is an important element of GCI Holdings' local access services business. On August 2, 2019, the FCC released a Memorandum Opinion and Order eliminating certain unbundling and resale requirements. On November 25, 2019, the FCC released a Notice of Proposed Rulemaking proposing to eliminate all remaining unbundled network elements and avoided-cost resale requirements. GCI Holdings 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, changes in the regulatory classification of services that are transmitted over facilities may impact the extent to which GCI Holdings will be permitted access to such facilities. Changes to the applicable regulations could result in a change in its cost of serving new and existing markets. On July 7, 2017, ACS filed a petition in which it asked the FCC to regulate GCI Holdings as an ILEC pursuant to section 251(h)(2) of the Communications Act, including the requirement to provide competitors with access to unbundled network elements. GCI Holdings cannot predict at this time the outcome of this proceeding. However, grant of the petition in its entirety may subject GCI Holdings to regulatory burdens that could materially impact its costs.

Local Regulation. GCI Holdings may be required to obtain local permits for street opening and construction permits to install and expand its networks. Local zoning authorities often regulate GCI Holdings' use of towers for microwave and other communications sites. GCI Holdings is also 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 GCI Holdings will be competing will bear costs similar to those it bears in this regard.

Environmental Regulations

GCI Holdings undertakes 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 FCC, Bureau of Land Management, U.S. Forest Service, U.S. Fish and Wildlife Service, U.S. Army Corps of Engineers, Bureau of Indian Affairs, and National Park Service are among the federal agencies required by the National Environmental Policy Act of 1969 and National Historic Preservation Act to consider the environmental impact of actions they authorize, including facility construction.

The principal effect of GCI Holdings' 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. GCI Holdings' facilities have been constructed in accordance with federal, state and local building codes and zoning regulations whenever and wherever applicable. GCI Holdings obtains federal, state, and local permits, as required, for its projects and operations. GCI Holdings is unaware of any material violations of federal, state or local regulations or permits.

Competition

The Company operates in intensely competitive industries and competes with a 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. The Company competes with AT&T, Verizon, and 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, the Company expects 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 the Company competes, AT&T and Verizon, have resources that are greater than the Company's resources. These companies have significantly greater capital, financial, marketing, human capital, distribution and other resources than the Company. Specifically, as a regional wireless carrier the Company may not have immediate access to some wireless handsets that are available to these national wireless carriers.

The Company competes for customers based principally upon price, service bundles, the services and enhancements offered, network quality, customer service, billing services, statewide network coverage and capacity, the type of wireless handsets offered, and perceived quality, reliability and availability. The Company's ability to compete successfully will depend, in part, on its marketing efforts and its 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, service bundles, the services and enhancements offered, the technologies used, customer service, billing services, and perceived quality, reliability and availability. The Company competes with other providers some of which are headquartered outside of Alaska and have substantially greater financial, technical and marketing resources.

The Company expects 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, the Company believes it offers superior technical performance and speed, and responsive community-based customer service. Increased competition, however, may adversely affect the Company's market share and results of operations from its data services product offerings.

Presently, there are a number of competing companies in Alaska that actively sell and maintain data and voice communications systems. The Company's ability to integrate communications networks and data communications equipment has allowed it to maintain its 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. The Company's video systems face competition from services and devices that offer distribution of movies, television shows and other video programming, using alternative methods such as Internet video streaming and direct broadcast satellite ("DBS"). The Company's video systems also face competition from potential overbuilds of its existing cable systems. The extent to which the Company's video systems are competitive depends, in part, upon its ability to provide quality programming and other services at competitive prices.

Internet video streaming services, such as Netflix, Hulu and Amazon Prime, are a major source of competition for the Company's video services. Additionally, some online video services produce or acquire their own original content. However, as a major Internet-provider, the competition may result in additional data service subscriber revenue for the Company to the extent it grows average Internet revenue per subscriber.

The DBS industry is another major source of competition for the Company's video services. Two major companies, AT&T-owned DIRECTV and DISH Network Corporation, are currently offering high-power DBS services in Alaska.

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.

The Company expects 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, the Company believes it offers superior technical performance and responsive community-based customer service. Increased competition, however, may adversely affect the Company's market share and results of operations from its video services product offerings.

Voice Services and Products Competition. The Company's 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. The Company also competes against ILECs, long-distance resellers and certain smaller rural local telephone companies for local access and long-distance. The Company has competed by offering what it believes is excellent customer service and by providing desirable bundles of services.

See "Regulatory Matters — Wireline Voice Services and Products" above for more information.

Employees

Pursuant to a services agreement between Liberty Media and GCI Liberty, 86 Liberty Media corporate employees provide certain management services to GCI Liberty for a determined fee. In connection with the provision of these services, GCI Liberty provides certain elements of compensation to these corporate employees and executive officers of Liberty Media. As of December 31, 2019, the Company's consolidated subsidiaries had an aggregate of approximately 2,051 full and part-time

employees and the Company is not party to any union contracts with its employees. The Company believes that its employee relations are good.

Available Information

All of the Company's filings with the SEC, including its Form 10-Ks, Form 10-Qs and Form 8-Ks, as well as amendments to such filings are available on the Company's Internet website free of charge generally within 24 hours after it files such material with the SEC. The Company's website address is www.gciliberty.com.

The Company's corporate governance guidelines, code of business conduct and ethics, compensation committee charter, nominating and corporate governance committee charter, and audit committee charter are available on its website. In addition, the Company will provide a copy of any of these documents, free of charge, to any shareholder who calls or submits a request in writing to Investor Relations, GCI Liberty, Inc., 12300 Liberty Boulevard, Englewood, Colorado 80112, Tel. No. (720) 875-5900.

The information contained on the Company's website and the websites of its subsidiaries and affiliated businesses mentioned throughout this report are not incorporated by reference herein.

Item 1A. Risk Factors.

The risks described below and elsewhere in this Annual Report on Form 10-K are not the only ones that relate to the Company's businesses or its capitalization. The risks described below are considered to be the most material. However, there may be other unknown or unpredictable economic, business, competitive, regulatory or other factors that also could have material adverse effects on the Company's businesses. Past financial performance may not be a reliable indicator of future performance and historical trends should not be used to anticipate results or trends in future periods. If any of the events described below were to occur, the Company's businesses, prospects, financial condition, results of operations and/or cash flows could be materially adversely affected.

Factors Relating to the Company's Corporate History and Structure

GCI Liberty conducts its operations to maintain an exclusion from the definition of an "investment company" under the 40 Act (as defined below), but nevertheless, may become subject to the 40 Act.

GCI Liberty is in the business of selling communications and entertainment services to subscribers, and its economic success is based on its ability to retain current subscribers and attract new subscribers. Further, the GCI Holdings operating subsidiaries currently generate substantially all of the cash flow of the consolidated GCI Liberty. GCI Liberty intends to continue to conduct its operations so that neither it nor any of its subsidiaries is required to register as an investment company under the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder (the "40 Act"). To ensure that GCI Liberty does not become subject to regulation under the 40 Act, GCI Liberty may be limited in the type of assets that it may continue to own or acquire and, further, may need to dispose of or acquire certain assets (through a purchase, sale, merger or other transaction) at such times or on such terms as may be less favorable to GCI Liberty than if it were not required to enter into such transaction to maintain its exclusion from regulation under the 40 Act. If for any reason, however, GCI Liberty were to become subject to regulation under the 40 Act (such as due to significant accretion in the value of its interests in certain investment securities coupled with a reduction in the value of the GCI Holdings operations or a change in circumstance which results in a reclassification of certain of its operating assets as investment securities for purposes of the 40 Act), after giving effect to any applicable grace periods, GCI Liberty may be required to register as an investment company, which could result in significant registration and compliance costs, could require changes to its corporate governance structure and financial reporting, and could restrict its activities going forward. In addition, if GCI Liberty were to become inadvertently subject to the 40 Act, any violation of the 40 Act could subject it to material adverse consequences, including potentially significant regulatory penalties and the possibility that certain of its contracts could be deemed unenforceable.

Factors Relating to the Transactions

The Company may have a significant indemnity obligation to Qurate Retail if the GCI Liberty Split-Off is treated as a taxable transaction.

In connection with the contribution and Holdco Split-Off (together, the “GCI Liberty Split-Off”), Qurate Retail received an opinion of its tax counsel to the effect that, for U.S. federal income tax purposes, the GCI Liberty Split-Off will qualify as a tax-free transaction to Qurate Retail and to the former holders of its Liberty Ventures common stock under Section 355, Section 368(a)(1)(D) and related provisions of the Internal Revenue Code of 1986, as amended (the “Code”). In July 2018, the IRS completed its review of the GCI Liberty Split-Off and informed Qurate Retail that it agreed with the nontaxable characterization of the transactions. Qurate Retail received an Issue Resolution Agreement from the IRS documenting this conclusion.

Even if the GCI Liberty Split-Off otherwise qualifies under Section 355, Section 368(a)(1)(D), and related provisions of the Code, the GCI Liberty Split-Off would result in a significant U.S. federal income tax liability to Qurate Retail (but not to the former holders of Liberty Ventures common stock) under Section 355(e) of the Code if one or more persons acquire, directly or indirectly, a 50% or greater interest (measured by either vote or value) in the stock of Qurate Retail or in the stock of the Company (excluding, for this purpose, acquisitions of its common stock meeting statutory exceptions) as part of a plan or series of related transactions that includes the GCI Liberty Split-Off. Any acquisition of the stock of Qurate Retail or the Company (or any successor corporation) within two years before or after the GCI Liberty Split-Off would generally be presumed to be part of a plan that includes the GCI Liberty Split-Off, although the parties may be able to rebut that presumption under certain circumstances. The process for determining whether an acquisition is part of a plan under these rules is complex, inherently factual in nature and subject to a comprehensive analysis of the facts and circumstances of the particular case. Notwithstanding the opinion of tax counsel described above, Qurate Retail or the Company might inadvertently cause or permit a prohibited change in ownership of Qurate Retail or the Company, thereby triggering tax liability to Qurate Retail.

Prior to the GCI Liberty Split-Off, the Company entered into a tax sharing agreement with Qurate Retail. Under this agreement, Qurate Retail is generally responsible for any taxes and losses resulting from the failure of the GCI Liberty Split-Off to qualify as a tax-free transaction; however, the Company is required to indemnify Qurate Retail, its subsidiaries and certain related persons for any taxes and losses which (i) result primarily from, individually or in the aggregate, the breach of certain covenants made by the Company (applicable to actions or failures to act by the Company and its subsidiaries following the completion of the GCI Liberty Split-Off), or (ii) result from the application of Section 355(e) of the Code to the GCI Liberty Split-Off as a result of the treatment of the GCI Liberty Split-Off as part of a plan (or series of related transactions) pursuant to which one or more persons acquire, directly or indirectly, a 50% or greater interest (measured by either vote or value) in the stock of the Company (or any successor corporation). The Company's indemnification obligations to Qurate Retail, its subsidiaries, and certain related persons are not limited in amount or subject to any cap. If the Company is required to indemnify Qurate Retail, its subsidiaries, or such related persons under the circumstances set forth in the tax sharing agreement, the Company may be subject to substantial liabilities, which could materially adversely affect its financial position.

To preserve the tax-free treatment of the GCI Liberty Split-Off, the Company may determine to forgo certain transactions that might have otherwise been advantageous to it, including certain asset dispositions or other strategic transactions for some period of time following the GCI Liberty Split-Off. In addition, the Company's indemnity obligation related to the GCI Liberty Split-Off under the tax sharing agreement might discourage, delay or prevent a change of control transaction for some period of time following the GCI Liberty Split-Off.

The Company has overlapping directors and management with Qurate Retail, Liberty Media, Liberty Broadband and Liberty TripAdvisor Holdings, Inc., which may lead to conflicting interests.

As a result of the Transactions and other transactions between 2011 and 2016 that resulted in the separate corporate existence of Qurate Retail, Liberty Media, Liberty Broadband and Liberty TripAdvisor Holdings, Inc. (“Liberty TripAdvisor”), most of the executive officers of GCI Liberty also serve as executive officers of Qurate Retail, Liberty Media, Liberty TripAdvisor and Liberty Broadband, and there are overlapping directors. With the exception of the Company's ownership of shares of Liberty Broadband's non-voting Series C common stock, none of these companies has any ownership interest in any of the others. The Company's executive officers and members of its board of directors have fiduciary duties to its shareholders. Likewise, any such persons who serve in similar capacities at Qurate Retail, Liberty Media, Liberty Broadband or Liberty TripAdvisor have fiduciary duties to that company's stockholders. For example, there may be the potential for a conflict of interest when Qurate Retail, Liberty Media, Liberty Broadband, Liberty TripAdvisor or GCI Liberty looks at acquisitions and other corporate opportunities that may be suitable for each of them. Therefore, such persons may have conflicts of interest or

the appearance of conflicts of interest in the event there are matters involving or affecting more than one of the companies to which they owe fiduciary duties. Moreover, most of the Company's directors and officers own GCI Liberty stock and equity awards and own Qurate Retail, Liberty Media, Liberty Broadband and Liberty TripAdvisor stock and equity awards. Therefore, such persons may have conflicts of interest or the appearance of conflicts of interest with respect to matters involving or affecting more than one of the companies to which they owe fiduciary duties. Any potential conflict that qualifies as a "related party transaction" (as defined in Item 404 of Regulation S-K under the Securities Act) is subject to review by an independent committee of the applicable issuer's board of directors in accordance with its corporate governance guidelines. Each of Liberty Broadband, Liberty TripAdvisor and GCI Liberty has renounced its rights to certain business opportunities, and their respective certificate of incorporation provides that no director or officer of the respective company will breach their fiduciary duty and therefore be liable to the respective company or its stockholders by reason of the fact that any such individual directs a corporate opportunity to another person or entity (including Qurate Retail, Liberty Media, Liberty Broadband, Liberty TripAdvisor and GCI Liberty, as the case may be) instead of the respective company, or does not refer or communicate information regarding such corporate opportunity to the respective company, unless (x) such opportunity was expressly offered to such person solely in his or her capacity as a director or officer of the respective company or as a director or officer of any of the respective company's subsidiaries, and (y) such opportunity relates to a line of business in which the respective company or any of its subsidiaries is then directly engaged. Any other potential conflicts that may arise will be addressed on a case-by-case basis, keeping in mind the applicable fiduciary duties owed by the executive officers and directors of each issuer. From time to time, GCI Liberty may enter into transactions with Qurate Retail, Liberty Media, Liberty Broadband and Liberty TripAdvisor and/or their respective subsidiaries or other affiliates. There can be no assurance that the terms of any such transaction will be as favorable to GCI Liberty, Qurate Retail, Liberty Media, Liberty Broadband and Liberty TripAdvisor or any of their respective subsidiaries or affiliates as would be the case where there is no overlapping officer or director.

The market value of GCI Liberty's interests in publicly-traded securities may be affected by market conditions beyond its control that could cause it to record losses for declines in such market value.

As of December 31, 2019, GCI Liberty's assets included shares of Charter valued at approximately \$2.6 billion and shares of Liberty Broadband, which is Charter's largest shareholder with a 25.01% voting interest in Charter, valued at approximately \$5.4 billion. The Company has no ability to exercise control over either Charter or Liberty Broadband, and therefore it cannot cause either investee to take actions which may be in the best interest of the Company and its investment in these companies. Although many of the risks described below relating to the Company's operating business similarly affect Charter and Liberty Broadband, for additional information regarding the risks and uncertainties specific to Charter and Liberty Broadband, holders of GCI Liberty securities should please see "Part I-Item 1A. Risk Factors-Factors Relating to Our Corporate History and Structure" and "Part I-Item 1A. Risk Factors-Factors Relating to Charter" of Liberty Broadband's Annual Report on Form 10-K for the year ended December 31, 2019, filed with the SEC on February 3, 2020. In addition, as of December 31, 2019, GCI Liberty's assets included an interest in the publicly traded equity of LendingTree with a market value of approximately \$1,045.0 million. The value of these interests may be affected by economic and market conditions that are beyond the Company's control, and its ability to liquidate or otherwise monetize these interests without adversely affecting their value may be limited.

Factors Relating to the Company's GCI Holdings' Business and Future Results

Additional risks and uncertainties not currently known to the Company or that it currently deems to be immaterial may also materially and adversely affect the business operations of GCI Holdings, which the Company refers to as "GCI" in the following risk factors relating to the business of GCI Holdings. Any of the following risks could materially and adversely affect the Company's business, financial position, results of operations or liquidity.

GCI faces competition that may reduce the Company's market share and harm its financial performance.

There is substantial competition in the telecommunications and entertainment industries. Through mergers, various service integration strategies, and business alliances, major providers are striving to strengthen their competitive positions. GCI faces increased wireless services competition from national carriers in the Alaska market and increasing video services competition from DBS providers and over-the-top content providers who are often able to offer more flexible subscription packages and exclusive content.

The Company expects competition to increase as a result of the rapid development of new technologies, services and products. The Company cannot predict which of many possible future technologies, products or services will be important to maintain GCI's competitive position or what expenditures will be required to develop and provide these technologies, products or services. GCI's ability to compete successfully will depend on marketing and on its 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 GCI does not keep pace with technological advances or fails to timely respond to changes in competitive factors in its industry and in its markets, GCI could lose market share or experience a decline in its 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 its ability to grow new businesses or introduce new services successfully and execute its business plan. GCI also faces the risk of potential price cuts by the Company's competitors that could materially adversely affect its market share and gross margins.

GCI's wholesale customers including its major roaming customers may construct facilities in locations where they currently contract with GCI to use its network to provide service on their behalf. The Company could experience a decline in revenue and net income if any of GCI's wholesale customers constructed or expanded their existing networks in places where service is currently provided by GCI's network. Some of GCI's wholesale customers have greater access to financial, technical, and other resources than GCI does. GCI expects to continue to offer competitive alternatives to such customers in order to retain significant traffic on GCI's network. The Company cannot predict whether such customers will continue to see GCI's network as a compelling alternative. GCI's inability to negotiate renewals of such contracts could have a material adverse effect on the Company's business, financial condition and results of operations.

If GCI experiences low or negative rates of subscriber acquisition or high rates of turnover, the Company's financial performance will be impaired.

GCI is in the business of selling communications and entertainment services to subscribers, and its economic success is based on its ability to retain current subscribers and attract new subscribers. In recent years, GCI has seen a general decrease in subscriber metrics. If GCI is unable to retain and attract subscribers, its and the Company's financial performance will be impaired. GCI's rates of subscriber acquisition and turnover are affected by a number of competitive factors including the size of its service areas, network performance and reliability issues, its device and service offerings, subscribers' perceptions of its services, and customer care quality. Managing these factors and subscribers' expectations is essential in attracting and retaining subscribers. Although GCI has implemented programs to attract new subscribers and address subscriber turnover, the Company cannot assure you that these programs or GCI's 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 revenue and increase the total marketing expenditures required to attract the minimum number of subscribers required to sustain GCI's business plan which, in turn, could have a material adverse effect on the Company's business, financial condition and results of operations.

GCI may be unable to obtain or maintain the roaming services it needs from other carriers to remain competitive.

Some of GCI's competitors have national networks that enable them to offer nationwide coverage to their subscribers at a lower cost than GCI can offer. The networks GCI operates do not, by themselves, provide national coverage and GCI must pay fees to other carriers who provide roaming services to it. GCI currently relies on roaming agreements with several carriers for the majority of its roaming services.

The FCC requires commercial mobile radio service providers to provide roaming, upon request, for voice and SMS text messaging services on just, reasonable and non-discriminatory terms. The FCC also requires 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 GCI were to lose the benefit of one or more key roaming or wholesale agreements unexpectedly, it 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 its customers or may be unable to provide such services on a cost-effective basis. GCI's inability to obtain new or replacement roaming services on a cost-effective basis may limit its ability to compete effectively for wireless customers, which may increase its turnover and decrease its revenue, which in turn could materially adversely affect the Company's business, financial condition and results of operations.

GCI's business is subject to extensive governmental legislation and regulation. Changes to or interpretations of existing statutes, rules, regulations, or the adoption of new ones, could adversely affect GCI's business, financial position, results of operations or liquidity.

As described above in "Item 1. - Business - Regulatory Matters," GCI's business is subject to extensive federal and state governmental legislation and regulation. There can be no assurance that future changes or additions to the regulatory system under which GCI operates will benefit or have no effect on GCI. Similarly, these rules and regulations are subject to

interpretation by the applicable agencies, and new interpretations, or those of which GCI is not aware, could impact GCI's operations and have an adverse effect on GCI's business, position, results of operations or liquidity. 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 similar effect.

With respect to wireless services provided by GCI, 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 grants wireless licenses and imposes significant regulation on licensees of wireless spectrum. There can be no guarantee that GCI's existing licenses will be renewed. In addition, while the FCC does not currently regulate wireless service providers' rates, states may exercise authority over such things as certain billing practices and consumer-related issues. These regulations could increase the costs of GCI's wireless operations, including with respect to the maintenance of existing licenses granted by the FCC due to failure to comply with applicable regulations. GCI is also subject to FCC rules relating to E911 capabilities, and failure to comply with these rules could subject GCI to significant fines. With respect to video services provided by GCI, GCI is subject to changes in regulation that could potentially result in rate reductions or refunds of previously collected fees in the future.

With respect to Internet services provided by GCI, GCI is impacted by efforts to reclassify Internet service as a telecommunications service under Title II of the Communications Act. In 2015, the FCC classified Internet service as a telecommunication service. The FCC's implementing regulations prohibited broadband providers from blocking or throttling most lawful public Internet traffic, from engaging in paid prioritization of that traffic, and from unreasonably interfering with or disadvantaging end users' and edge providers' ability to send traffic to, from, and among each other. Although a 2018 FCC order returned to a Title I classification of Internet service and eliminated many of the requirements imposed in its initial 2015 order, there are various efforts in Congress and through state legislation to re-impose net neutrality requirements or some variation thereof. The Company cannot predict whether the FCC or Congress will re-impose the 2015 rules or some variation thereof. The increased regulatory burden if the 2015 rules are re-imposed likely would increase GCI's costs and could adversely affect the manner and price of providing service, which could have a material adverse effect on GCI's business, financial position, results of operations, or liquidity.

USF receivables and contributions are subject to change due to regulatory actions taken by the FCC, including the FCC's interpretations of the USF program rules, or legislative actions that change the rules and regulations governing the USF program.

GCI participates in various USF programs, which provide government subsidies to customers in low income areas, including schools, libraries and other facilities. This support was 24% and 23% of the Company's revenue for the year ended December 31, 2019 and the period following the date of the Transactions through December 31, 2018, respectively. GCI had USF net receivables of \$151.2 million and \$91.3 million at December 31, 2019 and 2018, respectively. In addition, the USF programs generally require the Company and other telecommunications providers to make contributions, based on certain revenue earned, into a fund used to subsidize the provision of voice services and broadband-capable voice networks in high-cost areas, the provision of voice and broadband services to low-income consumers, and the provision of internet, voice and telecommunications services to schools, libraries and certain health care providers. The USF programs in which the Company participates are highly regulated. While the rules and regulations governing the USF programs are fairly robust, there can be no assurance that any new rules or regulations adopted will not impact GCI's USF program anticipated receivables or contributions. Further, the FCC and USAC may interpret or apply the applicable rules and regulations in ways that are unexpected to GCI or other program participants. As a result, material changes to receivables and contributions may occur, which could have an adverse effect on GCI's business and the Company's financial position, results of operations or liquidity. As described above in "Item 1. Business - Regulatory Matters," GCI has experienced material changes to receivables and contributions from the USF programs in recent years. For example, in October 2018, the Bureau notified GCI of its decision to reduce rural rates charged to RHC customers for the funding year that ended on June 30, 2018 by approximately 26% resulting in a reduction of total support payments of \$27.8 million, and stated that it would apply the same cost methodology going forward. In addition, although the FCC has recently adjusted the RHC Program funding cap and committed to annual adjustments in future years for inflation, there is no guarantee that aggregate funding will be available to pay in full the approved funding for future years. Furthermore, the FCC has adopted changes to the manner in which support issued under the RHC Program will be calculated and approved, and GCI is currently unable to assess the substance, impact on funding or timing of these changes.

Failure to comply with USF program requirements may have an adverse effect on GCI's business and the Company's financial position.

The USF programs in which GCI participates are highly regulated, and, in many cases, require highly technical and nuanced processes and procedures in order to obtain funding and to ensure compliance with the USF programs. For example, telecommunication providers and their customers are subject to regulations that set forth requisite procedures that must be followed by both the provider and the customer, and there are limitations on communications between these parties. If a customer or a provider is found to have not complied with any aspect of these regulations, regardless of whether such noncompliance was unintentional or accidental, the FCC may deny funding and/or require disgorgement of any amounts received under the affected contracts. The FCC may also invalidate any affected contract and impose fines or penalties. Accordingly, failure to comply with these rules and regulations could have a material adverse effect on GCI's business and the Company's financial position, results of operations or liquidity. As described in note 16 to the consolidated financial statements, the Company accrued a loss of approximately \$17 million resulting from a review of certain active and expired RHC Program contracts where it has identified potential compliance issues. Although the FCC has been made aware of the potential RHC Program compliance issues, there can be no assurance that the FCC will not impose penalties or fines that would be additive to any required disgorgement or denial of funding. Further, no assurance can be given that any novated contracts will be replicated subsequently, which may affect future revenue.

Loss of GCI's ETC status would disqualify it 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 GCI were to lose its ETC status in any of the study areas where it is currently an authorized ETC whether due to legislative or regulatory reform or its failure to comply with applicable laws and regulations, GCI would be ineligible to receive high cost or low income USF support for providing service in that area, which would have an adverse effect on the Company's business, financial position, results of operations or liquidity.

GCI may not meet its performance plan milestones under the Alaska High Cost Order.

As an ETC, GCI receives support from the USF to support the provision of wireline local access and wireless service in high cost areas. On August 31, 2016, the FCC published the Alaska High Cost Order which requires GCI to submit to the FCC a performance plan with five-year and ten-year commitments. If GCI is unable to meet the final performance plan milestones approved by the FCC it will be required to repay 1.89 times the average amount of support per location received over the ten-year term for the relevant number of locations that GCI failed to deploy to, plus ten percent of its total Alaska High Cost Order support received over the ten-year term. Inability to meet GCI's performance plan milestones could have an adverse effect on its business, financial position, results of operations or liquidity.

GCI may lose USF high cost support if another carrier adds 4G LTE service in an area where it currently provides 4G LTE service.

Under the Alaska High Cost Order, the FCC adopted a process for revisiting after five years whether and to what extent there is duplicative support for 4G LTE service in rural Alaska and to take steps to eliminate such duplicative support levels in the second half of the ten-year term. As a result, if another carrier builds 4G LTE service in an area where GCI is the sole provider and the FCC decides to redistribute the support then GCI's high cost support may be reduced, which could have an adverse effect on its business, financial position, results of operations or liquidity.

Programming expenses for GCI's video services are increasing, which could adversely affect the Company's business.

The Company expects programming expenses for GCI's 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 and costs to retransmit local broadcast stations. As GCI's 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 GCI may be unable to provide such content as part of its video services and the Company's business could be adversely affected. If GCI adds programming to its video services or if GCI chooses to distribute existing programming to its customers through additional delivery platforms, GCI may incur increased programming expenses. If GCI is unable to raise its 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 the Company's business, financial condition, or results of operations.

The decline in GCI's voice services' results of operations, which include long-distance and local access services, may accelerate.

The Company expects GCI's voice services' results of operations, which include long-distance and local access services, will continue to decline. As competition from wireless carriers, such as GCI, increases the Company expects GCI's long-distance and local access services' subscribers and revenue will continue to decline and the rate of decline may accelerate.

In addition, GCI's success in the local telephone market depends on its 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. GCI's ability to provide service in the local telephone market depends on its 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 certain unbundled network elements. Future negotiations or arbitration proceedings with respect to new or existing markets could result in a change in GCI's cost of serving these markets via the facilities of the Incumbent Local Exchange Carriers or via wholesale offerings. GCI's local telephone services business faces the risk of unfavorable changes in regulation or legislation or the introduction of new regulations.

Failure to stay abreast of new technology could affect GCI's ability to compete in the industry.

GCI tests and deploys various new technologies and support systems intended to enhance its competitiveness and increase the utility of its services. As GCI's operations grow in size and scope, it must continuously improve and upgrade its systems and infrastructure while maintaining or improving the reliability and integrity of its systems and infrastructure. The emergence of alternative platforms such as mobile or tablet computing devices and the emergence of niche competitors who may be able to optimize products, services or strategies for such platforms will require new investment in technology. Further, current and new wireless internet technologies such as 4G and 5G wireless broadband services continue to evolve rapidly to allow for greater speed and reliability, and the Company expects other advances in communications technology to occur in the future. GCI may not successfully complete the rollout of new technology and related features or services in a timely manner, and they may not be widely accepted by GCI's customers or may not be profitable, in which case GCI could not recover its investment in the technology. There can be no assurance that GCI will be able to compete with advancing technology or introduce new technologies and systems as quickly as it would like or in a cost effective manner. Deployment of technology supporting new service offerings may also adversely affect the performance or reliability of its networks with respect to both the new and existing services. Any resulting customer dissatisfaction could affect GCI's ability to retain customers and may have an adverse effect on the Company's financial position, results of operations, or liquidity. In addition to introducing new technologies and offerings, GCI must phase out outdated and unprofitable technologies and services. If GCI is unable to do so on a cost-effective basis, GCI could experience reduced profits.

GCI's operations are geographically concentrated in Alaska and are impacted by the economic conditions in Alaska.

GCI offers products and services to customers primarily throughout Alaska. Because of this geographic concentration, growth of GCI's business and operations depends upon economic conditions in Alaska. The economy of Alaska is dependent upon the oil industry, state government spending, United States military spending, investment earnings and tourism. Prolonged periods of low oil prices adversely impacts the Alaska economy, which in turn could have an adverse impact on the demand for GCI's products and services and on the Company's results of operations and financial condition. Low oil prices have put significant pressure on the Alaska state government budget since the majority of its revenue come from the oil industry. While the Alaska state government has significant reserves that the Company believes could help fund the state government, budgetary reforms will need to be implemented in order to offset the impact of lower oil prices.

The Alaska economy was in a recession from late 2015 to 2019, and lingering effects of that recession remain present in the Alaska economy. Further, the Alaska economy may experience another recession in the future. While it is difficult for the Company to predict the future impact of the recent recession, the current period of slow growth or any future recession on GCI's business, these conditions have had, or could have, an adverse impact on GCI's business and could adversely affect the affordability of and demand for some of its products and services and cause customers to shift to lower priced products and services or to delay or forgo purchases of its products and services. Additionally, GCI's customers may not be able to obtain adequate access to credit, which could affect their ability to make timely payments to GCI. If that were to occur, the Company could be required to increase its allowance for doubtful accounts, and the number of days outstanding for its accounts receivable could increase. If the lingering effects of that recession continues, the Alaska economy does not resume normal levels of growth or the Alaska economy experiences another recession, it could negatively affect GCI's business including the Company's financial position, results of operations, or liquidity, as well as its ability to service debt, pay other obligations and

enhance shareholder returns.

The customer base in Alaska is limited and GCI has already achieved significant market penetration with respect to its service offerings in Anchorage and other locations in Alaska. GCI may not be able to continue to increase its share of the existing markets for its services, and no assurance can be given that the Alaskan economy will grow and increase the size of the markets GCI serves or increase the demand for the services it offers. 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 GCI has developed in operating its businesses in Alaska may not provide GCI with the necessary expertise to successfully enter other geographic markets.

Natural or man-made disasters or terrorist attacks could have an adverse effect on GCI's business.

GCI's technical infrastructure (including the Company's communications network infrastructure and ancillary functions supporting its 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 GCI's technological infrastructure may be targeted in connection with terrorism or cyberattacks, 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 GCI's business operations or its provision of service in one or more markets. Specifically, the majority of GCI's facilities are located in areas with known significant seismic activity. Costs GCI incurs to restore, repair or replace its network or technical infrastructure, as well as costs associated with detecting, monitoring or reducing the incidence of unauthorized use, may be substantial and increase GCI's cost of providing service. Many of the areas in which GCI operates have limited emergency response services and may be difficult to reach in an emergency situation. Should a natural disaster or other event occur, it could be weeks or longer before remediation efforts could be implemented, if they could be implemented at all. Further, any failure in or interruption of systems that GCI or third parties maintain to support ancillary functions, such as billing, point of sale, inventory management, customer care and financial reporting, could materially impact GCI's ability to timely and accurately record, process and report information important to the Company's business. If any of the above events were to occur, GCI could experience higher churn, reduced revenue and increased costs, any of which could harm its reputation and have a material adverse effect on the Company's business, financial condition or results of operations.

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

Cyberattacks or other network disruptions could have an adverse effect on GCI's business.

Through the Company's operations, sales and marketing activities, it collects and stores certain non-public personal information related to its customers. The Company also gathers and retains information about employees in the normal course of business. The Company may share information about such persons with vendors, contractors and other third-parties that assist with certain aspects of its business. In addition, the Company's operations depend upon the transmission of information over the Internet. Unauthorized parties may attempt to gain access to the Company or its vendors' computer systems by, among other things, hacking into its systems or those of third parties, through fraud or other means of deceiving the Company's employees or its vendors, burglaries, errors by the Company or its vendors' employees, misappropriation of data by employees, or other irregularities that may result in persons obtaining unauthorized access to its data. The techniques used to gain such access to the Company's or its vendors' technology systems, data or customer information, disable or degrade service, or sabotage systems are constantly evolving, may be difficult to detect quickly, and often are not recognized until launched against a target.

Cyberattacks against GCI's or the Company's vendors' technological infrastructure or breaches of network information technology may cause equipment failures, disruption of its or their operations, and potentially unauthorized access to confidential customer or employee data, which could subject the Company to increased costs and other liabilities as discussed further below. Cyberattacks, which include the use of malware, computer viruses, and other means for service disruption or unauthorized access to confidential customer or employee data, have increased in frequency, scope, and potential harm for businesses in recent years. It is possible for such cyberattacks to go undetected for an extended period of time, increasing the potential harm to GCI's customers, employees, assets, and reputation.

To date, GCI has not been subject to cyberattacks or network disruptions that, individually or in the aggregate, have been material to GCI's operations or financial condition. Although GCI has not detected a material security breach or cybersecurity incident to date, it has been the target of events of this nature and expects to be subject to similar attacks in the future. GCI engages in a variety of preventive measures at an increased cost to GCI, in order to reduce the risk of cyberattacks and safeguard its infrastructure and confidential customer information, but as with all companies, these measures may not be sufficient for all eventualities and there is no guarantee that they will be adequate to safeguard against all cyberattacks, system compromises or misuses of data. 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, and URL filtering. Despite these preventive and detective actions, GCI's efforts may be insufficient to repel a major cyberattack or network disruption in the future and prevent the risks described above.

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

- Cyberattacks that disrupt, damage, and gain unauthorized access to GCI's network and computer systems including data breaches caused by criminal or terrorist activities;
- Undesired human actions including intentional or accidental errors and break-ins;
- Malware (including viruses, worms, cryptoware, and Trojan horses), software defects, unsolicited mass advertising, denial of service, ransomware, and other malicious or abusive attacks by third parties; and
- Unauthorized access to GCI's information technology, billing, customer care, and provisioning systems and networks and those of its vendors and other providers.

If hackers or cyberthieves gain improper access to GCI's technology systems, networks, or infrastructure, they may be able to access, steal, publish, delete, misappropriate, modify or otherwise disrupt access to confidential customer or employee data. Moreover, additional harm to customers or employees could be perpetrated by third parties who are given access to the confidential customer data. A network disruption (including one resulting from a cyberattack) could cause an interruption or degradation of service and diversion of management attention, as well as permit access, theft, publishing, deletion, misappropriation, or modification to or of confidential customer data. Due to the evolving techniques used in cyberattacks to disrupt or gain unauthorized access to technology networks, GCI may not be able to anticipate or prevent such disruption or unauthorized access.

The costs imposed on the Company as a result of a cyberattack or network disruption could be significant. Among others, such costs could include increased expenditures on cyber security measures, litigation, regulatory actions, fines, sanctions, lost revenue from business interruption, and damage to the public's perception regarding the Company's ability to provide a secure service. As a result, a cyberattack or network disruption could have a material adverse effect on the Company's business, financial condition, and operating results. The Company also faces similar risks associated with security breaches affecting third parties with which it is affiliated or otherwise conduct business. While the Company maintains cyber liability insurance that provides both third-party liability and first-party insurance coverage, its insurance may not be sufficient to protect against all of its losses from any future disruptions or breaches of its systems or other events as described above.

Increases in data usage on GCI's wired and wireless networks may cause network capacity limitations, resulting in service disruptions, reduced capacity or slower transmission speeds for GCI's customers.

Video streaming services and peer-to-peer file sharing applications use significantly more bandwidth than traditional Internet activity such as web browsing and email. As use of these services continues to grow, GCI's customers will likely use more bandwidth than in the past. Additionally, new wireless handsets and devices may place a higher demand for data on GCI's wireless network. If this occurs, GCI could be required to make significant capital expenditures to increase network capacity in order to avoid service disruptions, service degradation or slower transmission speeds for its customers. Alternatively, GCI could choose to implement network management practices to reduce the network capacity available to bandwidth-intensive activities during certain times in market areas experiencing congestion, which could negatively affect its ability to retain and attract customers in affected areas. While the Company believes demand for these services may drive customers to pay for faster speeds, competitive or regulatory constraints may preclude GCI from recovering the costs of the necessary network investments which could result in an adverse impact to its business, financial condition, and operating results.

Prolonged service interruptions or system failures could affect GCI's business.

GCI relies heavily on its network equipment, communications providers, data and software to support all of its functions. GCI relies on its networks and the networks of others for substantially all of its revenue. GCI is able to deliver services and serve its customers only to the extent that it can protect its network systems against damage from power or

communication failures, computer viruses, natural disasters, unauthorized access and other disruptions. While GCI endeavors to provide for failures in the network by providing back-up systems and procedures, GCI cannot guarantee that these back-up systems and procedures will operate satisfactorily in an emergency. Disruption to its billing systems due to a failure of existing hardware and backup protocols could have an adverse effect on the Company's revenue and cash flow. Should GCI experience a prolonged failure, it could seriously jeopardize its ability to continue operations. In particular, should a significant service interruption occur, GCI's ongoing customers may choose a different provider, and its reputation may be damaged, reducing its attractiveness to new customers.

If failures occur in GCI's undersea fiber optic cable systems or GCI's TERRA facilities and its extensions, GCI's ability to immediately restore the entirety of GCI's service may be limited and the Company could incur significant costs.

GCI's communications facilities include undersea fiber optic cable systems that carry a large portion of its traffic to and from the contiguous lower 48 states, one of which provides an alternative geographically diverse backup communication facility to the other. GCI's facilities also include TERRA and its extensions some of which are unringed, operating in a remote environment and are at times difficult to access for repairs. Damage to an undersea fiber optic cable system or TERRA and its extensions could result in significant unplanned expense. For example, in January 2020, a fiber break occurred in GCI's TERRA ring in Alaska's Cook Inlet. Although service has been unaffected and the financial impact is not expected to be significant, full functionality is not expected to be restored until March 2020 due to the uniquely challenging environmental conditions in the location of the fiber break. If a failure of both sides of the ring of GCI's undersea fiber optic facilities or GCI's ringed TERRA facility and its unringed extensions occurs and GCI is not able to secure alternative facilities, some of the communications services GCI offers to its customers could be interrupted, which could have a material adverse effect on the Company's business, financial position, results of operations or liquidity.

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

GCI's communications facilities include satellite transponders that GCI uses to serve many rural and remote Alaska locations. Each of GCI's C-band and Ku-band satellite transponders are 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 GCI's satellite transponders occurs and GCI is not able to secure alternative facilities, some of the communications services GCI offers to its customers could be interrupted which could have a material adverse effect on the Company's business, financial position, results of operations or liquidity.

GCI depends on a limited number of third-party vendors to supply communications equipment. If GCI does not obtain the necessary communications equipment, GCI will not be able to meet the needs of its customers.

GCI depends on a limited number of third-party vendors to supply wireless, Internet, video and other telephony-related equipment. If GCI's providers of this equipment are unable to timely supply the equipment necessary to meet GCI's needs or provide them at an acceptable cost, GCI may not be able to satisfy demand for its 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 the Company's leading edge services and products), in many situations GCI deploys and utilizes specialized, advanced technology and equipment that may not have a large market or demand. GCI's 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 GCI 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 GCI relies may also be subject to litigation with respect to technology on which GCI depends, including litigation involving claims of patent infringement. Such claims have been growing rapidly in the communications industry. The Company is unable to predict whether GCI's business will be affected by any such litigation. The Company expects GCI's dependence on key suppliers to continue as they develop and introduce more advanced generations of technology. The failure of GCI's key suppliers to provide products or product support could have a material adverse effect on the Company's business, financial position, and results of operations.

GCI does not have insurance to cover certain risks to which it is subject, which could lead to the occurrence of uninsured liabilities.

As is typical in the communications industry, GCI is self-insured for damage or loss to certain of its transmission facilities, including its buried, undersea and above-ground fiber optic cable systems. If GCI becomes subject to substantial

uninsured liabilities due to damage or loss to such facilities, the Company's financial position, results of operations or liquidity may be adversely affected.

GCI uses a third-party vendor for its customer billing systems. Any errors, cyber-attacks or other operational disruption could have adverse operational, financial and reputational effects on the Company's business.

GCI's third-party billing services vendor may experience errors, cyber-attacks or other operational disruptions that could negatively impact GCI and over which GCI may have limited control. Interruptions and/or failure of this billing services system could disrupt GCI's operations and impact its ability to provide or bill for its services, retain customers, or attract new customers, and negatively impact overall customer experience. Any occurrence of the foregoing could cause material adverse effects on the Company's operations and financial condition, material weaknesses in its internal control over financial reporting and reputational damage.

Concerns about health/safety risks associated with wireless equipment may reduce the demand for GCI's wireless services.

GCI does not manufacture devices or other equipment it sells, and GCI depends on its suppliers to provide defect-free and safe equipment. Suppliers are required by applicable law to manufacture their devices to meet certain governmentally imposed safety criteria. However, even if the devices GCI sells meet the regulatory safety criteria, GCI could be held liable with the equipment manufacturers and suppliers for any harm caused by products GCI sells if such products are later found to have design or manufacturing defects. The Company cannot guarantee that GCI will be fully protected against all losses associated with a product that is found to be defective.

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. GCI 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 GCI 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, the Company cannot be sure that additional studies will not demonstrate a link between radio frequency emissions and health concerns.

Additionally, there are safety risks associated with the use of wireless devices while operating vehicles or equipment. Concerns over any of these risks and the effect of any legislation, rules or regulations that have been and may be adopted in response to these risks could limit GCI's ability to sell its wireless services.

Risk Related to the Company as a Whole

The Company is a holding company with a substantial portion of its consolidated debt and other obligations held outside of its operating subsidiaries, and its ability to service that debt and such other obligations will require access to funds of its operating subsidiaries, which may be restricted.

In connection with the Transactions, the Company incurred substantial indebtedness, in addition to the indebtedness that GCI Liberty had outstanding prior to the completion of the Transactions, of \$1.0 billion in term loan borrowings pursuant to the margin loan facility entered into by Broadband Holdco, LLC ("Broadband HoldCo"), which margin loan facility included the ability to request additional term loan facilities or increase the amount of the initial loan in an aggregate principal amount of up to \$500 million (the "Margin Loan"). Subsequently, in October 2018, Broadband Holdco entered into Amendment No. 1 (the "Amendment") to the Margin Loan (the "Margin Loan Agreement"). The Amendment established a revolving credit facility in an aggregate principal amount of up to \$200 million (the "Revolving Credit Facility") and reduced the existing term loan credit facility under the Margin Loan Agreement to \$800 million (the "Term Loan Facility"). In November 2019, Broadband Holdco entered into Amendment No. 2 to the Margin Loan Agreement which established commitments for a new delayed draw term loan facility in an aggregate principal amount of \$300.0 million ("Delayed Draw Term Loan Facility" and, together with the Revolving Credit Facility and the Term Loan Facility, the "Margin Loan Facility"). The Margin Loan Facility is secured by a pledge of approximately 42.7 million shares of Series C common stock of Liberty Broadband, which constitutes substantially all of the assets of Broadband Holdco. Following the Transactions, the Company's indebtedness as it existed prior to the Transactions is held through GCI, LLC, an intermediate holding company of GCI Liberty that holds, in turn, all of the capital stock of GCI Liberty's legacy operating subsidiaries, as well as all of the contributed HoldCo assets, including Broadband Holdco. The Company expects that the GCI Holdings operating subsidiaries will generate substantially all of the cash flow of its consolidated company. As of December 31, 2019, the indebtedness of GCI, LLC consists of \$1,300.0 million in borrowings

under the Margin Loan Facility, \$775.0 million in outstanding 6.625% senior notes due 2024 and the 6.875% senior notes due 2025 (together, the “Senior Notes”) and \$512.7 million in outstanding term and revolving loans under a senior secured credit facility with a syndicate of banks (the “Senior Credit Facility”). In addition, as of December 31, 2019, the indebtedness of GCI Liberty includes \$477.3 million of its outstanding 1.75% exchangeable senior debentures due 2046.

Qurate Retail, Liberty LLC, and GCI Liberty have entered into an indemnification agreement with the other parties thereto pursuant to which, among other things, (1) GCI Liberty will indemnify Liberty LLC with respect to any of Liberty LLC's 1.75% Exchangeable Debentures due 2046 (the “Liberty Charter Exchangeable Debentures”) surrendered for exchange to Liberty LLC on or before October 5, 2023 for the amount by which (i) the exchange value exceeds (ii) the sum of the adjusted principal amount of such Liberty Charter Exchangeable Debentures plus the amount of certain tax benefits attributable to such Liberty Charter Exchangeable Debentures so exchanged, and (2) Qurate Retail and GCI Liberty will indemnify each other with respect to certain potential losses in respect of the HoldCo Split-Off.

The ability of GCI Liberty, GCI, LLC, and Broadband Holdco to service their respective financial obligations will depend on their ability to access cash. The ability of GCI Liberty or GCI, LLC to access the cash of GCI Liberty's legacy operating subsidiaries will depend on those subsidiaries' individual operating results and any statutory or regulatory restrictions. In addition, covenants included in GCI, LLC's Senior Notes and Senior Credit Facility will limit the ability of GCI, LLC to upstream cash to GCI Liberty or downstream cash to Broadband Holdco for this purpose. GCI Liberty's other potential sources of cash include its available cash balances, dividends and interest from its investments, monetization of the public investment portfolio contributed to GCI Liberty in the Transactions, and proceeds from asset sales. There can be no assurance that the Company will continue to maintain the amounts of cash or marketable securities that it has.

The Company's significant debt and lease obligations could adversely affect its business.

The Company has and will continue to have a significant amount of debt and lease obligations including capital, operating, and the tower obligations (see note 9 of its consolidated financial statements found in Part II of this report for additional information). The Company's high level of debt and lease obligations could have important consequences, including the following:

- Increasing the Company's vulnerability to adverse economic, industry, or competitive developments;
- Requiring a substantial portion of the Company's cash flows from operations to be dedicated to the payment of principal and interest on its indebtedness, therefore reducing its ability to use its cash flows to fund operations, capital expenditures, and future business opportunities;
- Exposing the Company to the risk of increased interest rates to the extent of any future borrowings at variable rates of interest;
- Making it more difficult for the Company to satisfy its obligations with respect to its indebtedness;
- Restricting the Company from making strategic acquisitions or causing it to make non-strategic divestitures;
- Limiting the Company's 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 the Company's flexibility in planning for, or reacting to, changes in its business or market conditions and placing it at a competitive disadvantage compared to its competitors who are less highly leveraged and who, therefore, may be able to take advantage of opportunities that the Company's leverage may prevent it from exploiting.

The Company will require a significant amount of cash to service its debt and to meet other obligations. The Company's ability to generate cash depends on many factors beyond its control. If the Company is unable to meet its future capital needs it may be necessary for it to curtail, delay or abandon its business growth plans. If the Company incurs significant additional indebtedness to fund its plans, it could cause a decline in its credit rating and could increase its borrowing costs or limit its ability to raise additional capital.

The Company will continue to require a significant amount of cash to satisfy its debt service requirements and to meet other obligations. As of December 31, 2019, the Company has outstanding approximately \$3.1 billion principal amount of indebtedness on a consolidated basis. The Company's ability to make payments on and to refinance its debt and to fund planned capital expenditures and acquisitions will depend on its ability to generate cash and to arrange additional financing in the future. These abilities are subject to, among other factors, the Company's credit rating, its financial performance, general economic conditions, prevailing market conditions, the state of competition in its market, the outcome of certain legislative and regulatory issues and other factors that may be beyond its control. The Company's business may not generate sufficient cash flow from operations and future borrowings may not be available to it in an amount sufficient to enable it to pay its debt or to fund its other liquidity needs. The Company may need to refinance all or a portion of its debt on or before maturity. The Company may

not be able to refinance any of its debt on commercially reasonable terms or at all.

The terms of the Company's debt obligations impose restrictions on it that may affect its ability to successfully operate its business and its ability to make payments on the debt obligations.

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

The various covenants may restrict the Company's ability to expand or to pursue its business strategies. The Company's ability to comply with these covenants may be affected by events beyond its control, such as prevailing economic conditions and changes in regulations, and if such events occur, it cannot be sure that it will be able to comply. A breach of these covenants could result in a default under the indentures and/or the credit agreements. If there were an event of default under the indentures and/or the credit agreements, holders of such defaulted debt could cause all amounts borrowed under these instruments to be due and payable immediately. Additionally, if the Company fails 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 its assets and capital stock of its subsidiaries that it has pledged to them as security. The Company's assets or cash flow may not be sufficient to repay borrowings under its outstanding debt instruments in the event of a default thereunder.

When the Company's Senior Credit Facility and Senior Notes mature, it may not be able to refinance or replace them.

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

Variable rate indebtedness subjects the Company to interest rate risk, which could cause its debt service obligations to increase significantly.

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

In addition, the Company's variable rate indebtedness uses London Interbank Offering Rate ("LIBOR") as a benchmark for establishing the rate. The United Kingdom's Financial Conduct Authority, which regulates LIBOR, has announced that it intends to stop encouraging or compelling banks to submit rates for the calculation of LIBOR rates after 2021 (the "FCA Announcement"). The FCA Announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021 and, based on the foregoing, it appears likely that LIBOR will be discontinued or modified by 2021. The effects of the FCA Announcement cannot be entirely predicted, but could include an increase in the cost of the Company's variable rate indebtedness.

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

Any significant impairment of the Company's indefinite-lived intangible assets would lead to a reduction in its net operating performance and a decrease in its assets.

The Company had \$1.2 billion of indefinite-lived intangible assets at December 31, 2019, consisting of goodwill of \$855.8 million, cable certificates of \$305.0 million, wireless licenses of \$35.0 million and other intangibles of \$6.5 million. Goodwill represents the excess of cost over fair value of net assets acquired in connection with business acquisitions and represents the future economic benefits expected to arise from other intangible assets acquired that do not qualify for separate recognition. The Company's cable certificates represent agreements with government entities to construct and operate a video business. The Company's wireless licenses are from the FCC and give it the right to provide wireless service within a certain geographical area.

If the Company makes changes in its business strategy or if market or other conditions adversely affect its operations, it may be forced to record an impairment charge, which would lead to a decrease in its assets and a reduction in its net operating

performance. The Company's 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, the Company is required to record an impairment charge for the difference between the carrying value and the fair value of the goodwill and/or the indefinite-lived intangible assets, as appropriate, in the period in which the determination is made. The testing of goodwill and indefinite-lived intangible assets for impairment requires the Company to make significant estimates about its 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 the Company's business and its future prospects or other assumptions could affect the fair value, resulting in an impairment charge.

Due to increased uncertainty around long-term wireless revenue, an impairment loss of \$157.0 million was recorded during the year ended December 31, 2019 related to wireless licenses. The fair value of the wireless licenses was determined using an income approach (level 3). Due to certain market factors impacting GCI Holdings' operating results for the year ended December 31, 2018, impairment losses of \$135.8 million and \$65.0 million were recorded related to goodwill and cable certificates, respectively. The fair value of the cable certificates and the GCI Holdings reporting unit was determined using an income approach (Level 3). As of December 31, 2019, accumulated goodwill impairment losses for GCI Holdings totaled \$135.8 million.

The Company's ability to use net operating loss carryforwards and disallowed business interest carryforwards to reduce future tax payments could be negatively impacted if there is an "ownership change" as defined under Section 382 of the Code.

At December 31, 2019, the Company had federal and state net operating losses and disallowed business interest carryforwards of \$178.9 million (on a tax effected basis) and, under the Code, it may carry forward its federal net operating losses and disallowed business interest deductions in certain circumstances to offset current and future taxable income and thus reduce its federal income tax liability, subject to certain requirements and restrictions. If the Company experiences an "ownership change," as defined in Section 382 of the Code and related Treasury regulations (generally, a cumulative change in ownership that exceeds 50% of the value of a corporation's stock over a rolling three-year period) at a time when its market capitalization is below a certain level or if proposed Treasury regulations under Section 382 of the Code issued during 2019 become final (taking into account the delayed effective date of such regulations), the Company's ability to use its federal net operating loss carryforwards could be substantially limited. This limit could impact the timing of the usage of the Company's net operating loss and disallowed business interest carryforwards, thus accelerating federal cash tax payments or causing certain federal net operating loss carryforwards to expire prior to their use, which could affect the ultimate realization of that deferred tax asset. Similar limitations may also apply at the state level.

The Company has identified a material weakness in GCI Holdings' internal control over financial reporting, that, if not properly remediated, could adversely affect its business and results of operations.

A material weakness is a deficiency, or a combination of 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 consolidated financial statements will not be prevented or detected on a timely basis. As described in "Part II. Item 9A. Controls and Procedures," we have concluded that our internal control over financial reporting was ineffective as of December 31, 2019 due to a material weakness at our wholly-owned subsidiary, GCI Holdings. As discussed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018, we identified two material weaknesses in GCI Holdings' internal control over financial reporting one of which was remediated during 2019. The other material weakness remained unremediated as of December 31, 2019 and exists due to:

- Insufficient staffing and training of certain control operators;
- Inadequate assessment of financial reporting risks, which in turn contributed to reliance on business process controls that were not designed and operating effectively to adequately mitigate existing risks;
- Breakdowns in communication of expectations and prioritization of control execution to various levels of control operators;
- Lack of accountability for effective control operation; and
- Insufficient monitoring activities to ensure that the components of internal control are present and functioning.

As a consequence, the information technology general controls around access to financially relevant systems were not consistently operating effectively to ensure that access to data and applications was adequately restricted to appropriate

personnel. Additionally, certain business process controls were not appropriately designed to be responsive to existing risks, nor were they consistently operating effectively. The control deficiencies did not result in any identified misstatements, however, a reasonable possibility exists that material misstatements in the Company's consolidated financial statements will not be prevented or detected on a timely basis.

As further described in "Item 9A. Controls and Procedures," the Company and GCI Holdings are taking the necessary steps to remediate the material weakness. The reliability of the internal control process requires repeatable execution and the successful remediation of this material weakness will require on-going training, monitoring and evidence of effectiveness prior to concluding that the controls are effective. Therefore, we cannot assure you the remediation efforts will be effective in the future or that additional material weaknesses will not develop or be identified.

Implementing any further changes to GCI Holdings' internal controls may distract its officers and employees and entail material costs to implement new processes and/or modify its existing processes. Moreover, these changes do not guarantee that the Company will be effective in maintaining the adequacy of GCI Holdings' internal controls, and any failure to maintain that adequacy, or consequent inability to produce accurate financial statements on a timely basis, could harm our business. In addition, investors' perceptions that GCI Holdings' internal controls are inadequate or that the Company is unable to produce accurate financial statements on a timely basis may harm the price of the Company's common stock.

Factors Relating to the Company's Common Stock and the Securities Market

The Company's stock price may fluctuate significantly.

The market price of the Company's common stock may fluctuate significantly due to a number of factors, some of which may be beyond its control, including:

- actual or anticipated fluctuations in the Company's operating results;
- changes in earnings estimated by securities analysts or the Company's ability to meet those estimates;
- the operating and stock price performance of comparable companies; and
- domestic and foreign economic conditions.

Although the Company's Series B common stock is quoted on the OTC Markets, there is no meaningful trading market for the stock.

The Company's Series B common stock is not widely held, with approximately 91% of the outstanding shares as of January 31, 2020 beneficially owned by John C. Malone, the Chairman of the board and a director of the Company. Although it is quoted on the OTC Markets, it is sparsely traded and does not have an active trading market. The OTC Markets tend to be highly illiquid, in part, because there is no national quotation system by which potential investors can track the market price of shares except through information received or generated by a limited number of broker-dealers that make markets in particular stocks. There is also a greater chance of market volatility for securities that trade on the OTC Markets as opposed to a national exchange or quotation system. This volatility is due to a variety of factors, including a lack of readily available price quotations, lower trading volume, absence of consistent administrative supervision of "bid" and "ask" quotations, and market conditions. Each share of the Series B common stock is convertible, at any time at the option of the holder, into one share of the Company's Series A common stock, which is listed and traded on the Nasdaq Global Select Market under the symbol "GLIBA."

It may be difficult for a third party to acquire the Company, even if doing so may be beneficial to its shareholders.

Certain provisions of the Company's restated certificate of incorporation ("restated charter") and bylaws may discourage, delay or prevent a change in control of it that a stockholder may consider favorable. These provisions include the following:

- authorizing a capital structure with multiple series of common stock: a Series B that entitles the holders to ten votes per share, a Series A that entitles the holders to one vote per share and a Series C that, except as otherwise required by applicable law, entitles the holders to no voting rights;
- limiting who may call special meetings of stockholders;
- prohibiting stockholder action by written consent, thereby requiring all stockholder actions to be taken at a meeting of the stockholders;
- the existence of authorized and unissued stock, including "blank check" preferred stock, which would allow the Company's board of directors to issue shares to persons friendly to current management, thereby protecting the

- continuity of its management, or which could be used to dilute the stock ownership of persons seeking to obtain control of it;
- classifying the Company's board of directors with staggered three-year terms, which may lengthen the time required to gain control of its board of directors; and
- requiring shareholder approval by holders of at least 66²/₃% of the Company's voting power or, in certain circumstances, the approval by at least 75% of the Board of Directors of GCI Liberty with respect to certain extraordinary matters, such as a merger or consolidation of GCI Liberty, a sale of all or substantially all of its assets or an amendment to its restated charter.

In addition, John C. Malone currently beneficially owns shares representing the power to direct approximately 28% of the aggregate voting power in the Company, due to his beneficial ownership of approximately 91% of the outstanding shares of its Series B common stock as of January 31, 2020.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties

GCI Liberty

In connection with the Transactions, a wholly-owned subsidiary of Liberty Media entered into a facilities sharing agreement with the Company, pursuant to which the Company shares office facilities with Liberty Media located at 12300 Liberty Boulevard, Englewood, Colorado 80112.

GCI Holdings

GCI Holdings' properties do not lend themselves to description by location of principal units. The majority of GCI Holdings' properties are located in Alaska.

GCI Holdings leases most of its executive, corporate and administrative facilities and business offices. GCI Holdings' operating, executive, corporate and administrative properties are in good condition. GCI Holdings considers its properties suitable and adequate for its present needs and they are being fully utilized.

GCI Holdings' properties 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. See note 2 of the Company's consolidated financial statements found in Part II of this report for additional information on its properties. Substantial amounts of GCI Holdings' properties are located on or in leased real property or facilities. Substantially all of GCI Holdings' properties secure the Senior Credit Facility. See note 9 of the Company's consolidated financial statements found in Part II of this report for additional information on the Senior Credit Facility.

Item 3. Legal Proceedings

The Company is 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 the Company's financial position, results of operations or liquidity. See note 16 of the Company's consolidated financial statements found in Part II of this report for additional information.

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

On April 4, 2017, Liberty Interactive Corporation, now known as Qurate Retail, Inc. ("Qurate Retail"), entered into an Agreement and Plan of Reorganization with General Communication, Inc. ("GCI"), an Alaska corporation and parent company of GCI Holdings, LLC, and Liberty Interactive LLC, a Delaware limited liability company and a direct wholly-owned subsidiary of Qurate Retail. GCI's Class A common stock traded on the Nasdaq Global Select Market under the symbol "GNCMA" and its Class B common stock was quoted on the OTC Markets under the symbol "GNCMB." Pursuant to the reorganization agreement, on February 20, 2018, GCI amended and restated its articles of incorporation, which resulted in GCI being renamed GCI Liberty, Inc. ("Predecessor GCI Liberty") and GCI's issued and outstanding shares of Class A common stock and Class B common stock being reclassified into shares of Predecessor GCI Liberty's Class A-1 common stock and Class B-1 common stock, respectively. Predecessor GCI Liberty's Class A-1 common stock continued to be traded on the Nasdaq Global Select Market under the symbol "GNCMA" and its Class B-1 common stock continued to be quoted on the OTC Markets under the symbol "GNCMB." Following these events, (i) Qurate Retail acquired Predecessor GCI Liberty on March 9, 2018 through a reorganization in which certain Qurate Retail interests, assets and liabilities attributed to its Ventures Group, were contributed to Predecessor GCI Liberty in exchange for shares of Predecessor GCI Liberty's Class A-1 common stock and Class B-1 common stock and, following such contribution, (ii) Predecessor GCI Liberty's Class A-1 common stock and Class B-1 common stock automatically converted into (x) a fraction of a share of Predecessor GCI Liberty's Class A common stock equal to 0.63 and (y) a fraction of a share of the Predecessor GCI Liberty's Series A Cumulative Redeemable Preferred Stock equal to 0.2, in each case, without any action by the holder thereof. Predecessor GCI Liberty's Class A common stock began trading on the Nasdaq Global Select Market under the symbol "GLIBA" on March 12, 2018.

On May 10, 2018, Predecessor GCI Liberty changed its state of incorporation from Alaska to Delaware pursuant to an Agreement and Plan of Merger, dated March 22, 2018 (the "Reincorporation Merger Agreement"). Pursuant to the Reincorporation Merger Agreement, a wholly-owned subsidiary of Predecessor GCI Liberty merged into GCI Liberty and each outstanding share of Predecessor GCI Liberty Class A and Class B common stock was automatically converted into one share of GCI Liberty common stock. Following the reincorporation merger, shares of GCI Liberty Series A common stock continued to trade on the Nasdaq Global Select Market under the symbol "GLIBA," and, since April 27, 2018, shares of GCI Liberty Series B common stock have been quoted on the OTC Markets under the symbol "GLIBB." Stock price information for securities traded on the Nasdaq Global Select Market can be found on the Nasdaq's website at www.nasdaq.com.

Although the transactions discussed above resulted in changes to the classes and series of outstanding shares of GCI, Predecessor GCI Liberty and our company and related ticker symbol changes, historical information of GCI's Class B common stock and Predecessor GCI Liberty's Class B-1 common stock and Class B common stock refers to such stock as our Series B common stock. The following table sets forth the high and low sales price for our Series B common stock for the years ended December 31, 2019 and 2018. There is no established public trading market for our Series B common stock, which is quoted on OTC Market. Such over-the-counter market quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

	Series B (GLIBB)	
	High	Low
2018		
First Quarter	\$ 42.55	37.65
Second Quarter (April 1 - April 26) (1)	\$ 42.55	37.65
Second Quarter (April 27 - June 30)	\$ 45.50	41.75
Third Quarter	\$ 53.95	40.51
Fourth Quarter	\$ 53.01	42.65
2019		
First Quarter	\$ 55.45	49.15
Second Quarter	\$ 65.00	49.60
Third Quarter	\$ 63.85	59.85
Fourth Quarter	\$ 74.11	65.85

(1) The Series B common shares trade infrequently. During the period between April 1, 2018 and April 26, 2018, no trades occurred, as such the high and low prices shown for this period related to the first quarter of 2018.

Holders

As of January 31, 2020, there were 1,513 holders of record of our Series A common stock and 51 holders of record of our Series B common stock. The foregoing numbers of record holders do not include the number of stockholders whose shares are held nominally by banks, brokerage houses or other institutions, but include each such institution as one shareholder.

Dividends

The Company has not paid any cash dividends on its common stock, and it has no present intention of so doing. Payment of cash dividends, if any, on the common stock in the future will be determined by the Company's board of directors in light of its earnings, financial condition and other relevant considerations. See Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operation – Liquidity and Capital Resources."

Stock Transfer Agent and Registrar

Broadridge is the Company's stock transfer agent and registrar.

Securities Authorized for Issuance Under Equity Compensation Plans

Information required by this item is incorporated by reference to the Company's definitive proxy statement for its 2020 Annual Meeting of Stockholders.

Purchases of Equity Securities by the Issuer

Share Repurchase Programs

On March 9, 2018, the board of directors authorized a share repurchase program for \$650 million of GCI Liberty Class A and Class B common stock. On June 25, 2018, the board of directors of GCI Liberty reapproved such repurchase program with respect to GCI Liberty's Series A and Series B common stock. There were no repurchases of GCI Liberty capital stock under the authorized share repurchase program during the three months ended December 31, 2019. As of December 31, 2019, \$494.4 million of GCI Liberty's Series A and Series B common stock may be purchased under the repurchase program.

28,936 shares of GCI Liberty Series A common stock and 7,172 shares of GCI Liberty Preferred Stock were surrendered by our officers and employees to pay withholding taxes and other deductions in connection with the vesting of their restricted stock and restricted stock units during the three months ended December 31, 2019.

Item 6. Selected Financial Data

The following tables present selected historical information relating to financial condition and results of operations over the past five years. Certain prior period amounts have been reclassified for comparability with the current year presentation. The following data should be read in conjunction with our consolidated financial statements.

	December 31,				
	2019	2018 (1)	2017	2016	2015
	amounts in thousands				
<i>Summary Balance Sheet Data:</i>					
Cash and cash equivalents	\$ 569,520	491,257	573,210	487,163	2,001,481
Investments in equity securities	\$ 2,605,293	1,533,517	1,803,064	1,546,615	1,896,535
Investments in affiliates, accounted for using the equity method	\$ 167,643	177,030	114,655	31,493	427
Investment in Liberty Broadband measured at fair value	\$ 5,367,242	3,074,373	3,634,786	3,161,444	—
Total assets	\$ 11,933,445	8,660,822	6,172,213	5,300,776	3,977,743
Total debt	\$ 3,266,218	2,886,034	—	—	—
Deferred income tax liabilities	\$ 1,527,109	793,696	643,426	777,092	301,848
Taxes payable	\$ —	—	1,198,315	925,715	631,582
Total equity	\$ 6,210,284	4,306,690	4,224,036	3,592,682	3,032,661
	Years Ended December 31,				
	2019	2018 (1)	2017	2016	2015
	amounts in thousands, except per share amounts				
<i>Summary Statements of Operations Data:</i>					
Revenue	\$ 894,733	739,762	23,817	22,552	20,307
Operating income (loss)	\$ (217,521)	(249,992)	(55,597)	(35,155)	(28,534)
Interest expense	\$ (153,803)	(119,296)	—	—	—
Share of earnings (losses) of affiliates, net	\$ (2,629)	25,772	7,001	11,831	2,142
Realized and unrealized gains (losses) on financial instruments, net	\$ 3,002,400	(681,545)	637,164	1,309,365	179,699
Earnings (loss) before income taxes	\$ 2,668,265	(1,056,961)	591,035	1,316,814	171,692
Net earnings (loss) attributable to GCI Liberty, Inc. shareholders	\$ 1,938,698	(873,303)	724,586	820,683	110,713
Basic net earnings (loss) attributable to Series A and Series B GCI Liberty, Inc. shareholders per common share	\$ 18.41	(8.09)	6.65	7.53	1.02
Diluted net earnings (loss) attributable to Series A and Series B GCI Liberty, Inc. shareholders per common share	\$ 18.32	(8.09)	6.65	7.53	1.02

(1) As of March 9, 2018, the Company's financial condition and results of operations include the activities of GCI Holdings, which are further described in notes 1 and 4 to the accompanying consolidated financial statements.

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

The following discussion and analysis provides information concerning our results of operations and financial condition. This discussion should be read in conjunction with our accompanying consolidated financial statements and the notes thereto. Additionally, see notes 2 and 10 in the accompanying consolidated financial statements for an overview of new accounting standards that the Company has adopted or that it plans to adopt that have had or may have an impact on its financial statements.

Overview

On April 4, 2017, Liberty Interactive Corporation, now known as Qurate Retail, entered into an Agreement and Plan of Reorganization (as amended, the "reorganization agreement" and the transactions contemplated thereby, the "Transactions") with GCI, an Alaska corporation, and Liberty Interactive LLC, a Delaware limited liability company and a direct wholly owned subsidiary of Qurate Retail ("LI LLC"). Pursuant to the reorganization agreement, GCI amended and restated its articles of incorporation (which resulted in GCI being renamed GCI Liberty, Inc. ("GCI Liberty")) and effected a reclassification and auto conversion of its common stock. Following these events, Qurate Retail acquired GCI Liberty on March 9, 2018 through a reorganization in which certain Qurate Retail interests, assets and liabilities attributed to its Ventures Group (following the reattribution by Qurate Retail of certain assets and liabilities from its Ventures Group to its QVC Group) were contributed to GCI Liberty in exchange for a controlling interest in GCI Liberty (the "contribution"). Qurate Retail and LI LLC contributed to GCI Liberty their entire equity interests in Liberty Broadband Corporation ("Liberty Broadband"), Charter Communications, Inc. ("Charter"), and LendingTree, Inc. ("LendingTree"), the Evite, Inc. ("Evite") operating business and other assets and liabilities (collectively, "HoldCo"), in exchange for (a) the issuance to LI LLC of a number of shares of GCI Liberty Class A common stock and a number of shares of GCI Liberty Class B common stock equal to the number of outstanding shares of Qurate Retail's Series A Liberty Ventures common stock and Qurate Retail's Series B Liberty Ventures common stock on March 9, 2018, respectively, (b) cash and (c) the assumption of certain liabilities by GCI Liberty.

The contribution was treated as a reverse acquisition under the acquisition method of accounting in accordance with generally accepted accounting principles in the United States ("GAAP"). For accounting purposes, HoldCo is considered to have acquired GCI Liberty in the contribution based, among other considerations, upon the fact that in exchange for the contribution of HoldCo, Qurate Retail received a controlling interest in the combined company of GCI Liberty.

Following the contribution and acquisition of GCI Liberty, Qurate Retail effected a tax free separation of its controlling interest in the combined company, GCI Liberty, to the holders of Qurate Retail's Liberty Ventures common stock in full redemption of all outstanding shares of such stock (the "HoldCo Split-Off"), in which each outstanding share of Qurate Retail's Series A Liberty Ventures common stock was redeemed for one share of GCI Liberty Class A common stock and each outstanding share of Qurate Retail's Series B Liberty Ventures common stock was redeemed for one share of GCI Liberty Class B common stock. In July 2018, the Internal Revenue Service ("IRS") completed its review of the HoldCo Split-Off and informed Qurate Retail that it agreed with the nontaxable characterization of the transactions. Qurate Retail received an Issue Resolution Agreement from the IRS documenting this conclusion.

On May 10, 2018, pursuant to the Agreement and Plan of Merger, dated as of March 22, 2018, GCI Liberty completed its reincorporation into Delaware by merging with its wholly owned Delaware subsidiary, which was the surviving corporation (the "Reincorporation Merger"). References to GCI Liberty or the Company prior to May 10, 2018 refer to GCI Liberty, Inc., an Alaska corporation and references to GCI Liberty after May 10, 2018 refer to GCI Liberty, Inc., a Delaware corporation.

We refer to the combination of GCI Holdings, LLC ("GCI Holdings"), non controlling interests in Liberty Broadband, Charter and LendingTree, a controlling interest in Evite, and certain other assets and liabilities as "GCI Liberty", the "Company", "us", "we" and "our." Although HoldCo was reported as a combined company until the date of the HoldCo Split-Off, the accompanying financial statements and the following discussion present all periods as consolidated by the Company.

Update on Economic Conditions

GCI Holdings offers wireless and wireline telecommunication services, data services, video services, and managed services to customers primarily throughout Alaska. Because of this geographic concentration, growth of GCI Holdings' business and operations depends upon economic conditions in Alaska. The economy of Alaska is dependent upon the oil industry, state government spending, United States military spending, investment earnings and tourism. Prolonged periods of low oil prices adversely impacts the Alaska economy, which in turn can have an adverse impact on the demand for GCI Holdings' products and services and on its results of operations and financial condition.

Low oil prices have put significant pressure on the Alaska state government budget since the majority of its revenue comes from the oil industry. While the Alaska state government has significant reserves that GCI Holdings believes will help fund the state government for the next couple of years, major structural budgetary reforms will need to be implemented in order to offset the impact of low oil prices.

The Alaska economy was in a recession from late 2015 to 2019, and lingering effects of that recession remain present in the Alaska economy. Further, the Alaska economy may experience another recession in the future. While it is difficult for the Company to predict the future impact of the recent recession, the current period of slow growth or any future recession on GCI Holdings' business, these conditions have had, or could have, an adverse impact on GCI Holdings' business and could adversely affect the affordability of and demand for some of its products and services and cause customers to shift to lower priced products and services or delay or forgo purchases of its products and services. Additionally, GCI Holdings' customers may not be able to obtain adequate access to credit, which could affect their ability to make timely payments to GCI Holdings. If that were to occur, the Company could be required to increase its allowance for doubtful accounts, and the number of days outstanding for its accounts receivable could increase. If the lingering effects of that recession continues, the Alaska economy does not resume normal levels of growth or the Alaska economy experiences another recession, it could negatively affect GCI Holdings' business including the Company's financial position, results of operations, or liquidity, as well as its ability to service debt, pay other obligations and enhance shareholder returns.

Rural Health Care ("RHC") Program

GCI Holdings receives support from various Universal Service Fund ("USF") programs including the RHC Program. The USF programs are subject to change by regulatory actions taken by the Federal Communications Commission ("FCC"), interpretations of or compliance with USF program rules, or legislative actions. Changes to any of the USF programs that GCI Holdings participates in could result in a material decrease in revenue and accounts receivable, which could have an adverse effect on GCI Holdings' business and the Company's financial position, results of operations or liquidity. The following paragraphs describe certain separate matters related to the RHC Program that impact or could impact the revenue earned and receivables recognized by the Company. As of December 31, 2019, the Company had net accounts receivable from the RHC Program in the amount of \$118.8 million, which is included within Other assets, net and \$12.0 million, which is included within Trade and other receivables in the consolidated balance sheets.

In November 2017, the Universal Service Administrative Company ("USAC") requested further information in support of the rural rates charged to a number of GCI Holdings' RHC customers in connection with the funding requests for the year that runs July 1, 2017 through June 30, 2018. On October 10, 2018, GCI Holdings received a letter from the FCC's Wireline Competition Bureau ("Bureau") notifying it of the Bureau's decision to reduce the rural rates charged to RHC customers for the funding year that ended on June 30, 2018 by approximately 26% resulting in a reduction of total support payments of \$27.8 million. The FCC also informed GCI Holdings that the same cost methodology used for the funding year that ended on June 30, 2018 would be applied to rates charged to RHC customers in subsequent funding years. In response to the letter from the Bureau, GCI Holdings filed an Application for Review of the Bureau's decision with the FCC. In the third quarter of 2018, GCI Holdings recorded a \$19.1 million reduction in its receivables balance as part of its acquisition accounting and recorded a reduction in revenue for the funding year that ended on June 30, 2018 of approximately \$8.6 million. GCI Holdings has reduced RHC Program revenue by a similar rate as to the funding year that ended on June 30, 2018, which based on a current run rate would approximate \$7.0 million per quarter through the funding year that ended June 30, 2019 and would approximate \$8 million per quarter through the funding year that will end June 30, 2020 until it can reach a final resolution with the FCC regarding the funding amounts.

On March 15, 2018, USAC announced that the funding requests for the year that runs July 1, 2017 through June 30, 2018 exceeded the funding available for the RHC Program. Since that time, on June 25, 2018, the FCC issued an order resulting in an increase of the annual RHC Program funding cap from \$400.0 million to \$571.0 million and applied it to the funding year that ended on June 30, 2018. The FCC also determined that it would annually adjust the RHC Program funding cap for inflation, beginning with the funding year ending on June 30, 2019 and carry-forward unused funds from past funding years for use in future funding years. As a result, aggregate funding is expected to be available to pay in full the approved funding under the RHC Program for the funding years ended on June 30, 2018 and 2019. On June 10, 2019, the FCC released a public notice noting that the funding cap for the funding year ending on June 30, 2020 is \$594 million, also noting that USAC projects that \$83 million in unused funds will be available for use in the funding year ending on June 30, 2020. On February 14, 2020, USAC informed the FCC that it had identified an additional \$162.7 million of unused funds available for use in future years, and that it had begun issuing commitments fully funding qualified single year requests in the Telecom and Healthcare Connect portions of the RHC Program for the funding year ending on June 30, 2020.

In addition, on March 23, 2018, GCI Holdings received a separate letter of inquiry and request for information from the Enforcement Bureau of the FCC relating to the period beginning January 1, 2015 and including all future periods, to which it is in the process of responding. This includes inquiry into the rates charged by GCI Holdings that are still pending, and presently it is unable to assess the ultimate resolution of this rate inquiry. Other aspects related to the Enforcement Bureau's review of GCI Holdings' compliance with program rules are discussed separately below. The ongoing uncertainty in program funding, as well as the uncertainty associated with the rate review, could have an adverse effect on its business, financial position, results of operations or liquidity.

On November 30, 2018, GCI Holdings received multiple funding denial notices from USAC, denying requested funding from the RHC Program operated by a rural health customer (the "Customer") for the funding year that ended on June 30, 2018. In November 2017, USAC requested information from the Customer related to bidding process documentation for two separate service contracts GCI Holdings has with the Customer. Although the Customer timely responded, USAC found that bids previously received were not submitted with the original funding request and/or that bidding information submitted was related to the wrong bidding year. The Customer appealed this decision in early 2019 and on May 6, 2019 USAC denied the Customer's appeal. The Customer then appealed USAC's decision to the Bureau on July 5, 2019. As of March 31, 2019, GCI Holdings had accounts receivable of approximately \$21.3 million outstanding associated with these two service contracts, which is dependent upon receipt of funding from USAC. Given that USAC denied the Customer's appeal as specifically outlined in the May 6, 2019 letter received by the Customer, the Company determined at the time it was probable that GCI Holdings incurred a loss and an accounts receivable reserve was recorded in the amount of \$21.3 million and an associated bad debt expense was recorded during the first quarter of 2019 and included within Selling, general, and administrative expense in the consolidated statements of operations. Additionally, because of the uncertainty of the Customer's future appeals process and uncertainty relating to our ability to recover payment directly from the Customer, the Company no longer believed revenue associated with the two service contracts should be recognized. Historical annual revenue associated with the two service contracts was approximately \$12.0 million in total and was expected to be the same in future periods. Revenue has not been recognized beyond the first quarter of 2019.

On February 19, 2020, the Bureau issued an FCC order that granted the Customer's appeal for the two service contracts that were originally denied funding by USAC. In the order, the FCC has directed USAC to reverse its previous funding denials. Because the FCC order provides the Company with additional information subsequent to December 31, 2019 about the resolution of a contingency that existed as of year-end, the Company has recognized the impact of the FCC order in our consolidated financial statements. Such impact resulted in the reversal of the previously recorded \$21.3 million accounts receivable reserve and associated bad debt expense included within Selling, general, and administrative expense in the consolidated statements of operations.

The Company also considered whether it should recognize revenue in 2019 related to the two service contracts for the period where it previously had not recognized revenue because of the uncertainty around its ability to collect consideration from the Customer. Because the Company was unable to conclude at any time prior to December 31, 2019 that collection of consideration under the two service contracts was probable, the Company concluded that revenue should not be recognized for any period subsequent to the first quarter of 2019 in accordance with the applicable revenue recognition criteria. The Company will reevaluate the applicable revenue recognition criteria in the first quarter of 2020 to determine whether it can (i) begin recognizing revenue associated with the Customer's two service contracts and (ii) recognize revenue for the period in 2019 when it ceased recognizing revenue because of the uncertainty relating to its ability to recover payment directly from the Customer. Although the Company has not recognized revenue beyond the first quarter of 2019 related to the Customer's two service contracts, the Company has continued to provide service to the Customer and such fact will be considered in the revenue recognition analysis in the first quarter of 2020.

On August 20, 2019, the FCC released an order adopting changes to the RHC Program that will revise the manner in which support issued under the RHC Program will be calculated and approved. Some of these changes will become effective beginning with the funding year ending June 30, 2021, while others will apply beginning with the funding year ending June 30, 2022. On October 21, 2019, GCI Holdings appealed the order to the United States Court of Appeals for the District of Columbia Circuit. On December 6, 2019, that appeal was held in abeyance for nine months due to pending Petitions for Reconsideration filed by other parties at the FCC. The proposed methodology for calculating and approving support under these changes relies on information that has not yet been collected and analyzed by USAC, and therefore GCI Holdings cannot assess at this time the substance, impact on funding, or timing of these changes adopted by the FCC.

In the fourth quarter of 2019, the Company became aware of potential RHC Program compliance issues related to certain of GCI Holdings' currently active and expired contracts with certain of its RHC customers. The Company and its

external experts performed significant and extensive procedures to determine whether GCI Holdings' currently active and expired contracts with its RHC customers would be deemed to be in compliance with the RHC Program rules. Based on these procedures, the Company accrued a loss of approximately \$17.0 million for contracts that are deemed probable of not complying with the RHC Program rules. The Company recorded the estimated loss as an expense within Selling, general, and administrative in the consolidated statements of operations. The Company also identified certain contracts where additional loss was reasonably possible and such loss could range from zero to \$44.0 million. An accrual was not made for the amount of the reasonably possible loss in accordance with the applicable accounting guidance. GCI Holdings could also be assessed fines and penalties but such amounts could not be reasonably estimated. GCI Holdings has notified the FCC of our potential compliance issues and will continue to work with the FCC to resolve such matters.

Results of Operations - Consolidated

General. We provide information regarding our consolidated operating results and other income and expenses, as well as information regarding the contribution to those items from our reportable segments in the tables below. The "Corporate and other" category consists of those assets or businesses which do not qualify as a separate reportable segment. For a more detailed discussion and analysis of the financial results of our principal reportable segment see "Results of Operations-GCI Holdings" below.

Operating Results

	Years ended December 31,		
	2019	2018	2017
	amounts in thousands		
Revenue			
GCI Holdings	\$ 869,662	715,842	—
Corporate and other	25,071	23,920	23,817
Consolidated	<u>\$ 894,733</u>	<u>739,762</u>	<u>23,817</u>
Operating Income (Loss)			
GCI Holdings	\$ (182,841)	(208,934)	—
Corporate and other	(34,680)	(41,058)	(55,597)
Consolidated	<u>\$ (217,521)</u>	<u>(249,992)</u>	<u>(55,597)</u>
Adjusted OIBDA			
GCI Holdings	\$ 256,878	217,832	—
Corporate and other	(21,865)	(24,731)	(25,762)
Consolidated	<u>\$ 235,013</u>	<u>193,101</u>	<u>(25,762)</u>

Revenue. Consolidated revenue increased \$155.0 million and \$715.9 million for the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding prior year periods. The increases are primarily due to an increase of \$153.8 million and \$715.8 million at GCI Holdings in 2019 and 2018, respectively, as compared to the prior periods as a result of the acquisition of GCI Holdings on March 9, 2018. See "Results of Operations-GCI Holdings, LLC" below for a more complete discussion of the results of operations of GCI Holdings. Corporate and other revenue increased \$1.2 million and was relatively flat for the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding prior year periods. The increase in 2019 was driven by an increase in the sale of premium services partially offset by a decrease in advertising revenue at Evite.

Operating Income (Loss). Consolidated operating loss decreased \$32.5 million and increased \$194.4 million for the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding prior year periods. The decrease in operating loss in 2019 is primarily due to a \$26.1 million decrease in the operating loss for GCI Holdings driven by a decrease in the impairment of intangibles and long-lived assets. The increase in operating loss in 2018 is primarily due to the acquisition of GCI Holdings on March 9, 2018 and its subsequent impairment of intangibles and long-lived assets (see note 8 in the accompanying consolidated financial statements for more information) and associated depreciation and amortization as a result

of purchase accounting. See “Results of Operations-GCI Holdings, LLC” below for a more complete discussion of the results of operations of GCI Holdings.

Operating losses for corporate and other decreased \$6.4 million and \$14.5 million for the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding prior year periods. The decreases are primarily due to a decrease in costs associated with the Transactions partially offset by an increase in costs at Evite and increased public company costs.

Stock-based compensation. Stock based compensation includes compensation related to restricted shares of GCI Liberty's common stock and preferred stock, restricted stock units with respect to GCI Liberty's common stock, and options to purchase shares of GCI Liberty's common stock granted to certain of the Company's directors, employees, and employees of its subsidiaries. We recorded \$24.9 million, \$28.2 million and \$26.6 million of stock compensation expense for the years ended December 31, 2019, 2018 and 2017, respectively. The decrease in 2019 is primarily due to a \$3.0 million decrease at Evite. The increase in 2018 is primarily due to the acquisition of GCI Holdings on March 9, 2018 partially offset by a decrease in one-time costs associated with an option exchange between HoldCo and certain of its officers. See “Results of Operations-GCI Holdings, LLC” below for a more complete discussion of the results of operations of GCI Holdings. As of December 31, 2019, the total unrecognized compensation cost related to unvested options and restricted stock was approximately \$2.5 million and \$18.2 million, respectively. Such amounts will be recognized in the Company's consolidated statements of operations over a weighted average period of approximately 1.6 years and 2.5 years, respectively.

Adjusted OIBDA. To provide investors with additional information regarding our financial results, the Company also discloses Adjusted OIBDA, which is a non-GAAP financial measure. The Company defines Adjusted OIBDA as operating income (loss) plus depreciation and amortization, stock-based compensation, separately reported litigation settlements, insurance proceeds, restructuring, acquisition and other related costs and impairment charges. The Company's chief operating decision maker and management team use this measure of performance in conjunction with other measures to evaluate our businesses and make decisions about allocating resources among our businesses. The Company believes this is an important indicator of the operational strength and performance of its businesses by identifying those items that are not directly a reflection of each business' performance or indicative of ongoing business trends. In addition, this measure allows management to view operating results, perform analytical comparisons and benchmarking between businesses and identify strategies to improve performance. Accordingly, Adjusted OIBDA should be considered in addition to, but not as a substitute for, operating income, net income, cash flow provided by operating activities and other measures of financial performance prepared in accordance with U.S. generally accepted accounting principles. The following table provides a reconciliation of operating income (loss) to Adjusted OIBDA:

	Years ended December 31,		
	2019	2018	2017
	amounts in thousands		
Operating income (loss)	\$ (217,521)	(249,992)	(55,597)
Depreciation and amortization	266,333	206,946	3,252
Stock-based compensation	24,897	28,207	26,583
Impairment of intangibles and long-lived assets	167,062	207,940	—
Insurance proceeds and restructuring, net	(5,758)	—	—
Adjusted OIBDA	\$ 235,013	193,101	(25,762)

Consolidated Adjusted OIBDA increased \$41.9 million and \$218.9 million during the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding prior year periods. The increases in 2019 and 2018 are primarily due to the acquisition of GCI Holdings on March 9, 2018. See “Results of Operations-GCI Holdings, LLC” below for a more complete discussion of the results of operations of GCI Holdings.

Other Income and Expense

Components of Other income (expense) are presented in the table below.

	Years ended December 31,		
	2019	2018	2017
amounts in thousands			
<i>Interest expense</i>			
GCI Holdings	\$ (90,112)	(69,478)	—
Corporate and other	(63,691)	(49,818)	—
Consolidated	<u>\$ (153,803)</u>	<u>(119,296)</u>	<u>—</u>
<i>Share of earnings (losses) of affiliates, net</i>			
GCI Holdings	\$ (134)	(111)	—
Corporate and other	(2,495)	25,883	7,001
Consolidated	<u>\$ (2,629)</u>	<u>25,772</u>	<u>7,001</u>
<i>Realized and unrealized gains (losses) on financial instruments, net</i>			
GCI Holdings	\$ 1,669	—	—
Corporate and other	3,000,731	(681,545)	637,164
Consolidated	<u>\$ 3,002,400</u>	<u>(681,545)</u>	<u>637,164</u>
<i>Tax sharing agreement</i>			
GCI Holdings	\$ —	—	—
Corporate and other	26,646	(32,105)	—
Consolidated	<u>\$ 26,646</u>	<u>(32,105)</u>	<u>—</u>
<i>Other, net</i>			
GCI Holdings	\$ 11,061	1,376	—
Corporate and other	2,111	(1,171)	2,467
Consolidated	<u>\$ 13,172</u>	<u>205</u>	<u>2,467</u>

Interest Expense. Consolidated interest expense increased \$34.5 million and \$119.3 million during the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding prior year periods. The increases in 2019 and 2018 are primarily due to the acquisition of GCI Holdings on March 9, 2018. Additionally, the increase in 2019 was partially driven by the Margin Loan and Exchangeable Senior Debentures that the Company issued on June 18, 2018 (each as defined in note 9 of the accompanying consolidated financial statements).

Share of earnings (losses) of affiliates, net. Share of earnings (losses) of affiliates, net decreased \$28.4 million and increased \$18.8 million during the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding prior year periods. The decrease in 2019 is primarily due to a decrease in LendingTree's results. The increase in 2018 is primarily due to increases in LendingTree's results.

Realized and unrealized gains (losses) on financial instruments, net. Realized and unrealized gains (losses) on financial instruments, net are comprised of changes in the fair value of the following:

	Years ended December 31,		
	2019	2018	2017
	amounts in thousands		
Equity securities	\$ 1,074,736	(274,393)	258,629
Investment in Liberty Broadband	2,292,869	(560,413)	473,342
Derivative instruments	(50,965)	75,970	(94,807)
Indemnification obligation	(123,564)	70,007	NA
Exchangeables senior debentures	(190,676)	7,284	NA
	<u>\$ 3,002,400</u>	<u>(681,545)</u>	<u>637,164</u>

The changes in these accounts are primarily due to market factors and changes in the fair value of the underlying stocks or financial instruments to which they are related. The increase in 2019 was primarily driven by an increase in the market value of our investments in Liberty Broadband and Charter as compared to the corresponding prior year period. The decrease in 2018 was primarily driven by a decrease in the market value of our investments in Liberty Broadband and Charter as compared to the corresponding prior year period.

Tax sharing agreement. The Company had a gain of \$26.6 million and a loss of \$32.1 million for the years ended December 31, 2019 and 2018, respectively, for a tax sharing agreement, which provides for the allocation and indemnification of tax liabilities and benefits between Qurate Retail and GCI Liberty (see note 1 in the accompanying consolidated financial statements for more information). The change in the tax sharing agreement receivable for 2019 was primarily the result of the tax effect of the movement in the fair value of Qurate Retail's 1.75% exchangeable senior debentures due 2046. The change in the tax sharing agreement receivable for 2018 was primarily the result of the tax effect of the movement in the fair value of Qurate Retail's 1.75% exchangeable senior debentures due 2046 and an increase in the valuation allowance recorded against Qurate Retail's Colorado net operating loss deferred tax asset as a result of a Colorado tax law change in the second quarter of 2018.

Income taxes. Earnings (losses) before income taxes and income tax (expense) benefit are as follows:

	Years ended December 31,		
	2019	2018	2017
	amounts in thousands		
Earnings (loss) before income taxes	\$ 2,668,265	(1,056,961)	591,035
Income tax (expense) benefit	(730,023)	183,307	133,522
Effective income tax rate	27%	17%	23%

For the year ended December 31, 2019, the income tax expense in excess of expected federal tax expense is primarily due to state income tax expense.

For the year ended December 31, 2018, the income tax benefit was lower than the U.S. statutory tax rate of 21% primarily due to a change in the effective tax rate used to measure deferred taxes due to the acquisition as discussed in notes 1 and 4 to the accompanying consolidated financial statements and a goodwill impairment that is not deductible for tax purposes, partially offset by a change in the state effective tax rate used to measure deferred taxes resulting from a state law change.

For the year ended December 31, 2017, the most significant reconciling item is a net tax benefit for the effect of the change in the U.S. federal corporate tax rate from 35% to 21% on deferred taxes.

Net earnings (loss). The Company had net earnings of \$1,938.7 million, a net loss of \$873.3 million and net earnings of \$724.6 million for the years ended December 31, 2019, 2018, and 2017, respectively. The change in net earnings was the result of the above-described fluctuations in our revenue, expenses, and other income and expenses.

Liquidity and Capital Resources

As of December 31, 2019, substantially all of the Company's cash and cash equivalents were invested in U.S. Treasury securities, securities of other government agencies, AAA rated money market funds and other highly rated financial and corporate debt instruments.

The following are potential sources of liquidity: available cash balances, proceeds from asset sales, monetization of the Company's investments, outstanding or anticipated debt facilities, and debt and equity issuances. To the extent that the Company recognizes any taxable gains from the sale of assets, the Company may incur tax expense and be required to make tax payments, thereby reducing any cash proceeds. The Company believes it has sufficient cash from operating activities and cash on hand to fund its business.

As of December 31, 2019, the Company had a cash and cash equivalents balance of \$569.5 million of which \$60.8 million is held by the Company's subsidiaries.

	Years ended December 31,		
	2019	2018	2017
	amounts in thousands		
Cash flow information			
Net cash provided (used) by operating activities	\$ 88,605	82,888	304,864
Net cash provided (used) by investing activities	(130,682)	(32,276)	(78,123)
Net cash provided (used) by financing activities	126,195	(132,728)	(140,720)
	<u>\$ 84,118</u>	<u>(82,116)</u>	<u>86,021</u>

During the year ended December 31, 2019, the Company's primary uses of cash included capital expenditures, repurchases of GCI Liberty Series A common stock, settlement of a derivative instrument and repayment of debt, finance lease, and tower obligations. The repayment of debt included payment of \$325.0 million to fund the redemption of \$325.0 million aggregate outstanding principal amount of GCI, LLC's 6.75% Senior Notes due 2021. The Company's primary sources of cash in 2019 included cash from operations, borrowing \$400.0 million under the Company's margin loan, borrowing \$325.0 million as part of the newly issued 2024 Notes (as defined in note 9 in the accompanying consolidated financial statements) and proceeds from derivative instruments. During the year ended December 31, 2018, the Company's primary uses of cash included a \$1.1 billion distribution to its former parent in connection with the Transactions, \$254.0 million in repayments of debt, a \$132.7 million indemnification payment to Qurate Retail, \$111.6 million in repurchases of GCI Liberty Series A common stock, and a \$80.0 million derivative payment in connection with the Transactions. The Company's primary sources of cash in 2018 included cash from operations, borrowing \$1.5 billion under the Company's margin loan and exchangeable senior debentures, and cash from the acquisition of GCI Holdings on March 9, 2018.

Net cash used by investing activities consists primarily of cash paid for capital expenditures. The Company's significant recurring investing activity has been GCI Holdings' capital expenditures. The Company expects that this will continue in the future.

Proceeds from borrowings fluctuate from year to year based on the Company's liquidity needs. The Company may use excess cash to make optional repayments on its debt or repurchase its common stock depending on various factors, such as market conditions.

The projected uses of the Company's cash in 2020 are capital expenditures of approximately \$140 million, approximately \$131 million for interest payments on outstanding debt, approximately \$13 million for preferred stock dividends, repurchases of GCI Liberty Series A common stock under the approved share buyback program, and potential additional investments in existing or new businesses.

Off-Balance Sheet Arrangements and Aggregate Contractual Obligations

We have contingent liabilities related to legal and tax proceedings and other matters arising in the ordinary course of business. Although it is reasonably possible we may incur losses upon conclusion of such matters, an estimate of any loss or range of loss cannot be made. In the opinion of management, it is expected that amounts, if any, which may be required to satisfy such contingencies will not be material in relation to the accompanying consolidated financial statements.

Information concerning the amount and timing of required payments, both accrued and off-balance sheet, under our contractual obligations, is summarized below.

	Payments Due by Period				
	Total	Less Than 1 Year	1 to 3 Years	4 to 5 Years	More Than 5 Years
amounts in thousands					
<i>Consolidated contractual obligations</i>					
Debt (1)	\$ 3,071,982	3,008	1,811,376	803,516	454,082
Preferred stock	178,002	—	—	—	178,002
Interest expense and preferred stock dividends (2)	672,251	143,790	214,278	125,830	188,353
Finance lease obligations, including interest	13,525	5,159	5,954	1,366	1,046
Tower obligations, including interest	174,970	7,797	16,065	16,713	134,395
Operating lease commitments	142,616	45,013	57,982	20,429	19,192
Purchase obligations	65,158	65,158	—	—	—
Total contractual obligations	\$ 4,318,504	269,925	2,105,655	967,854	975,070

(1) Amounts are reflected in the table at the outstanding principal amount, assuming the debt instrument will remain outstanding until the stated maturity date, and may differ from the amounts stated in our consolidated balance sheet to the extent debt instruments (i) were issued at a discount or premium or (ii) have elements which are reported at fair value in our consolidated balance sheets. Amounts do not assume additional borrowings or refinancings of existing debt.

(2) Amounts (i) are based on our outstanding debt at December 31, 2019, (ii) assume the interest rates on our variable rate debt remain constant at the December 31, 2019 rates and (iii) assume that our existing debt is repaid at maturity.

Critical Accounting Estimates

The preparation of the Company's financial statements in conformity with GAAP requires it to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Listed below are the accounting estimates that the Company believes are critical to its financial statements due to the degree of uncertainty regarding the estimates or assumptions involved and the magnitude of the asset, liability, revenue or expense being reported. All of these accounting estimates and assumptions, as well as the resulting impact to the Company's financial statements, have been discussed with the audit committee of the Company's board of directors.

Fair Value of Non-Financial Instruments. The Company's non-financial instrument valuations are primarily comprised of its determination of the estimated fair value allocation of net tangible and identifiable intangible assets acquired in business combinations, the Company's annual assessment of the recoverability of its goodwill and other nonamortizable intangibles, and the Company's evaluation of the recoverability of its other long-lived assets upon certain triggering events.

The Company periodically reviews the carrying value of its intangible assets with definite lives and other long-lived assets to be used in operations whenever events or changes in circumstances indicate that the carrying amount of the assets or asset groups might not be recoverable. Factors that would necessitate an impairment assessment include a significant adverse change in the extent or manner in which an asset is used, a significant adverse change in legal factors or the business climate that could affect the value of the asset group, or a significant decline in the observable market value of an asset group, among others. If such facts indicate a potential impairment, the recoverability of the asset group is assessed by determining whether the carrying value of the asset group exceeds the sum of the projected undiscounted cash flows expected to result from the use and eventual disposition of the asset group over the remaining economic life of the asset group. If the carrying amount of the asset group is greater than the expected undiscounted cash flows to be generated by such asset group, including its ultimate disposition, an impairment adjustment is recognized.

If the carrying value of the Company's amortizing intangible or long-lived assets exceeds their estimated fair value, the Company is required to write the carrying value down to fair value. Any such write down is included in impairment expense in the Company's consolidated statements of operations. A high degree of judgment is required to estimate the fair value of the Company's amortizing intangible and long-lived assets. The Company may use quoted market prices, prices for similar assets, present value techniques and other valuation techniques to prepare these estimates. The Company may need to make estimates of future cash flows and discount rates as well as other assumptions in order to implement these valuation techniques. Due to

the high degree of judgment involved in our estimation techniques, any value ultimately derived from the Company's amortizing intangible or long-lived assets may differ from its estimate of fair value.

The Company utilizes the cost approach as the primary method used to establish fair value for its property and equipment in connection with business combinations. The cost approach considers the amount required to replace an asset by constructing or purchasing a new asset with similar utility, then adjusts the value in consideration of physical depreciation and functional and technological obsolescence as of the appraisal date. The cost approach relies on management's assumptions regarding current material and labor costs required to rebuild and repurchase significant components of the Company's property and equipment along with assumptions regarding the age and estimated useful lives of its property and equipment.

The accounting guidance permits entities to first perform a qualitative assessment to determine whether it is more likely than not that an indefinite-lived intangible asset is impaired. If the qualitative assessment supports that it is more likely than not that the carrying value of the Company's indefinite-lived intangible assets, other than goodwill, exceeds its fair value, then a quantitative assessment is performed. At December 31, 2019, the Company performed a qualitative assessment of its cable certificates and concluded that it is more likely than not that the fair value exceeds the carrying value. At December 31, 2019, the Company determined that it was necessary to perform a quantitative impairment assessment of its wireless licenses for which an impairment of \$157.0 million was recorded. At December 31, 2018, the Company determined that it was necessary to perform a quantitative impairment assessment of its cable certificates and wireless licenses for which an impairment of \$65.0 million was recorded related to its cable certificates (see note 8 in the accompanying consolidated financial statements).

The Company utilizes an income approach as the primary method used to establish fair value for its customer relationships, cable certificates, and wireless licenses in connection with business combinations and annual impairment testing when deemed necessary. The income approach quantifies the expected earnings of the Company's customer relationships, cable certificates, and wireless licenses by isolating the after tax cash flows attributable to the respective asset and then discounting the cash flows to their present value. The income approach relies on management's assumptions such as projected revenue, market penetration, expenses, capital expenditures, customer trends, and a discount rate applied to the estimated after tax cash flows.

The Company performs an annual assessment of the recoverability of its goodwill during the fourth quarter, or more frequently, if events and circumstances indicate impairment may have occurred. The Company utilizes a qualitative assessment for determining whether the quantitative goodwill impairment analysis is necessary. The accounting guidance permits entities to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the quantitative goodwill impairment test. In evaluating goodwill on a qualitative basis, the Company reviews the business performance of each reporting unit and evaluates other relevant factors as identified in the relevant accounting guidance to determine whether it is more likely than not that an indicated impairment exists for any of its reporting units. The Company considers whether there are any negative macroeconomic conditions, industry specific conditions, market changes, increased competition, increased costs in doing business, management challenges, legal environments and how these factors might impact company specific performance in future periods. As part of the analysis, the Company also considers fair value determinations for certain reporting units that have been made at various points throughout the current and prior year for other purposes. At December 31, 2019 and 2018, the Company determined that it was necessary to perform a quantitative goodwill impairment assessment for the GCI Holdings reporting unit. The Company did not record an impairment for goodwill for the year ended December 31, 2019. An impairment was recorded in the amount of \$135.8 million (see note 8 in the accompanying consolidated financial statements) for the year ended December 31, 2018.

The fair value of goodwill is determined using an income approach. The Company's income approach model used for its goodwill valuation is consistent with that used for the cable certificates except that cash flows from the entire business enterprise are used for the goodwill valuation.

Income Taxes. The Company is required to estimate the amount of tax payable or refundable for the current year and the deferred income tax liabilities and assets for the future tax consequences of events that have been reflected in its financial statements or tax returns for each taxing jurisdiction in which it operates. This process requires the Company's management to make judgments regarding the timing and probability of the ultimate tax impact of the various agreements and transactions that it enters into. Based on these judgments, the Company may record tax reserves or adjustments to valuation allowances on deferred tax assets to reflect the expected realizability of future tax benefits. Actual income taxes could vary from these estimates due to future changes in income tax law, significant changes in the jurisdictions in which the Company operates, its

inability to generate sufficient future taxable income or unpredicted results from the final determination of each year's liability by taxing authorities. These changes could have a significant impact on the Company's financial position.

Results of Operations - GCI Holdings, LLC

GCI Holdings provides a full range of wireless, data, video, voice, and managed services to residential, businesses, governmental entities, and educational and medical institutions primarily in Alaska. We have seen a general decrease in subscriber metrics primarily due to the recent recession in Alaska as discussed in the Overview section combined with macro trends such as cord cutting by video subscribers. The following table highlights selected key performance indicators used in evaluating GCI Holdings.

	December 31,		
	2019	2018	2017
Consumer			
Wireless:			
Revenue generating wireless lines in service ¹	176,200	180,400	181,800
Non-revenue generating wireless lines in service ²	6,100	12,300	15,000
Wireless lines in service ³	182,300	192,700	196,800
Data:			
Cable modem subscribers ⁴	127,000	125,700	124,900
Video:			
Basic subscribers ⁵	81,200	89,100	97,200
Homes passed ⁶	253,400	253,400	252,500
Voice:			
Total local access lines in service ⁷	39,900	44,500	48,900
Business			
Wireless:			
Wireless lines in service ³	20,500	21,500	22,600
Data:			
Cable modem subscribers ⁴	8,800	9,200	9,900
Voice:			
Total local access lines in service ⁷	34,500	36,500	38,500

¹ A revenue generating wireless line in service is defined as a wireless device with a monthly fee for services.

² A non-revenue generating wireless line in service is defined as a data-only line with no monthly fee for services.

³ A wireless line in service is defined as a revenue generating wireless device.

⁴ 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.

⁵ A basic subscriber is defined by the purchase of basic video service.

⁶ A home passed is defined as a dwelling unit that can be connected to GCI Holdings' network without the need of otherwise extending its network.

⁷ A local access line in service is defined as a revenue generating circuit or channel connecting a customer to the public switched telephone network.

As described in notes 1 and 4 to the accompanying consolidated financial statements, for accounting purposes, HoldCo is considered to have acquired GCI Liberty in the contribution. Although GCI Holdings' results are only included in the Company's results beginning on March 9, 2018, we believe a discussion of GCI Holdings' results for all periods presented promotes a better understanding of the overall results of its business. For comparison and discussion purposes the Company is presenting the pro forma results of GCI Holdings for the years ended December 31, 2018 and 2017, inclusive of acquisition accounting adjustments. The pro forma financial information was prepared based on the historical financial information of GCI Holdings and assuming the acquisition of GCI Holdings took place on January 1, 2017. The Company has made pro forma adjustments to the results for the years ended December 31, 2018 and 2017 to reflect the impact of the FCC's decision in regards to RHC funding as described above in the Rural Health Care Program section. The financial information below is presented for illustrative purposes only and does not purport to represent what the results of operations of GCI Holdings would actually have been had the business combination occurred on January 1, 2017, or to project the results of operations of GCI

Holdings for any future periods. The pro forma adjustments are based on available information and certain assumptions that the Company's management believes are reasonable. The pro forma adjustments are directly attributable to the business combination including adjustments related to the amortization of acquired tangible and intangible assets, stock-based compensation, and the exclusion of transaction related costs; RHC funding as described above; and the new revenue standard and are expected to have a continuing impact on the results of operations of GCI Holdings.

GCI Holdings' operating results for the year ended December 31, 2019 and pro forma operating results for the years ended December 31, 2018 and 2017 are as follows:

	Years ended December 31,		
	2019	2018	2017
amounts in thousands			
Revenue	\$ 869,662	875,290	894,909
Operating expenses (excluding stock-based compensation included below):			
Operating expense	(266,565)	(259,516)	(276,885)
Selling, general and administrative expenses	(346,219)	(348,903)	(333,023)
Adjusted OIBDA	256,878	266,871	285,001
Stock-based compensation	(14,907)	(6,088)	(14,230)
Impairment of intangibles and long-lived assets	(167,062)	(207,940)	—
Insurance proceeds and restructuring, net	5,758	—	—
Legal settlement	—	(3,600)	—
Depreciation and amortization	(263,508)	(241,687)	(240,206)
Operating income	<u>\$ (182,841)</u>	<u>(192,444)</u>	<u>30,565</u>

Revenue

The components of revenue are as follows:

	Years ended December 31,		
	2019	2018	2017
amounts in thousands			
Consumer			
Wireless	\$ 168,086	166,847	169,601
Data	169,332	159,667	145,757
Video	83,946	89,553	99,609
Voice	17,111	20,601	21,858
Business			
Wireless	92,603	95,649	99,940
Data	277,519	278,315	290,194
Video	16,170	19,449	18,039
Voice	44,895	45,209	49,911
Total pro forma revenue	<u>\$ 869,662</u>	<u>875,290</u>	<u>894,909</u>

Consumer wireless revenue increased \$1.2 million and decreased \$2.8 million for the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding prior year periods. The increase in revenue in 2019 was primarily due to increased plan fee revenue of \$5.4 million driven by the absence in 2019 of the forgiveness of a month of service (described below) for the Company's wireless customers, which occurred in 2018, and subscribers' selection of plans with higher recurring monthly charges that offer higher usage limits. During the third quarter of 2018, the Company implemented a new billing system that included a transition of wireless customers from billing in arrears to billing in advance. To ease the transition for customers, the Company forgave one month of service for those customers who would have otherwise received an invoice for two months of service. The increase in revenue in 2019 was partially offset by a decrease in the number of revenue generating

wireless subscribers, a decrease in USF high cost support ("High Cost Support") of \$2.4 million due to the previously disclosed end of High Cost Support for urban areas as of December 31, 2018, and a \$1.3 million decrease in the subsidy for Lifeline subscribers due to a reduction of the subsidy provided by the State of Alaska. The decrease in revenue in 2018 was primarily due to a \$4.2 million decrease in wireless plan fee revenue for the year ended December 31, 2018 as compared to the corresponding prior year period, which was primarily driven by a decrease in the number of subscribers and the forgiveness of a month of service for our wireless customers due to the implementation of the new billing system as discussed above. Additionally, there was a decrease of \$2.2 million in High Cost Support due to a scheduled decrease in cash received for High Cost Support for urban areas for 2018. The decreases discussed above were partially offset by a \$5.1 million increase in wireless equipment revenue in 2018, which was primarily driven by an increase in the number of higher priced wireless devices sold.

Consumer data revenue increased \$9.7 million and \$13.9 million for the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding prior year periods. The increase in 2019 was driven by subscribers' selection of plans with higher recurring monthly charges that offer higher speeds and higher usage limits. The increase in 2018 was also impacted by an increase in prices for lower tier cable modem plans, which has led to subscribers moving to plans with higher recurring monthly charges that offer higher speeds and higher usage limits.

Consumer video revenue decreased \$5.6 million and \$10.1 million for the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding prior year periods. The decreases in 2019 and 2018 were primarily due to a 9% and 8% decrease in the number of subscribers, respectively, partially offset by an increase in prices to video plans that occurred in the second quarter of 2019.

Consumer voice revenue decreased \$3.5 million and \$1.3 million for the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding prior year periods. The decreases in 2019 and 2018 were primarily due to a \$1.3 million and \$1.2 million decrease in High Cost Support, respectively, due to a scheduled decrease in funding for urban areas. Additionally, 2019 was impacted by a decrease in local plan fee revenue driven by a reduction in the number of customers.

Business wireless revenue decreased \$3.0 million and \$4.3 million for the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding prior year periods. The decreases in 2019 and 2018 were due to wholesale customers moving backhaul circuits off our network and a reduction of roaming traffic due to a wholesale customer's construction of its own facilities and wholesale customers enforcing limits on their customers roaming on the Company's network.

Business data revenue decreased \$0.8 million and \$11.9 million for the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding prior year periods. The decrease in 2019 was primarily due to a \$2.8 million decrease in professional services revenue driven by a decrease in special project work and a reduction of revenue from a healthcare customer whose funding was denied as discussed in the Rural Health Care Program section above. The decrease in 2019 was partially offset by a \$2.4 million increase in data and transport revenue driven by an increase in the price of business cable modems and higher sales to school and medical customers. The decrease in 2018 was primarily due to a \$7.3 million decrease in data and transport service revenue due to the reduction from the RHC Program as discussed above in the Rural Health Care Program section and a \$4.3 million decrease in professional services revenue due to a decrease in special project work.

Business video revenue decreased \$3.3 million and increased \$1.4 million for the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding prior year periods. The decrease in 2019 was primarily due to a decrease in political advertising revenue. The increase in 2018 was primarily due to an increase in political advertising revenue partially offset by a decrease in video plan fee revenue due to a decrease in business video subscribers.

Business voice revenue was relatively flat and decreased \$4.7 million for the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding prior year periods. The decrease in 2018 was primarily due to a \$2.1 million decrease in long distance revenue as a result of decreased long distance traffic and rate compression and a \$2.6 million decrease in local voice revenue due to a decrease in the number of business access lines in service.

Operating expenses increased \$7.0 million and decreased \$17.4 million for the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding prior year periods. The increase in 2019 was primarily due to a \$5.7 million increase in data transport costs driven by a transition from accounting for satellite transponders as operating leases instead of finance leases and a \$4.2 million increase in wireless network and roaming costs partially offset by a \$1.3 million decrease in video distribution and programming costs primarily due to a decrease in the number of video subscribers and a \$1.2 million decrease in voice costs driven by network changes that allowed the Company to move circuits off of other carriers. The

decrease in 2018 was primarily due to a \$3.9 million decrease in video distribution and programming costs primarily due to a decrease in the number of video subscribers; a \$5.1 million decrease in wireless costs due to a decrease in wireless distribution costs driven by construction of facilities that allowed the Company to move traffic to its network; a \$3.1 million decrease in professional services expense due to a decrease in special project work; and a \$2.7 million decrease in voice costs due to the decrease in long distance traffic and a reduction of local access lines in service.

Selling, general and administrative expenses decreased \$2.7 million and increased \$15.9 million for the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding prior year periods. The decrease in 2019 was driven by a \$21.7 million decrease in labor and contract labor costs, a \$3.7 million decrease in various costs due to cost cutting efforts and a \$1.6 million decrease in write-off costs related to obsolete inventory. The decrease in 2019 was partially offset by a \$17.0 million reserve recorded for RHC Program compliance issues (see note 16 in the accompanying consolidated financial statements) and a \$7.1 million increase in software related expense as a result of a transition from purchased software to software as a service arrangements. The increase in 2018 was primarily due to a \$4.0 million write-off of costs associated with an abandoned project, a \$3.3 million increase in labor costs driven by severance payments to employees who were laid off and annual merit increases, and a \$3.3 million increase in software contracts due to additional work as part of the billing system implementation.

Stock based compensation increased \$8.8 million and decreased \$8.1 million for the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding prior year periods. The increase in 2019 is due to awards granted in the fourth quarter of 2018 and first quarter of 2019. The decrease in 2018 is due to awards for which, based on purchase accounting, amortization was completely recognized during 2017.

Impairment of intangibles and long-lived assets was \$167.1 million and \$207.9 million for the years ended December 31, 2019 and 2018, respectively. The impairment in 2019 was primarily due to the impairment of wireless licenses due to increased uncertainty around long-term wireless revenue. The impairment in 2018 was primarily due to the impairment of goodwill and cable certificates as a result of unanticipated program revenue changes and certain other market factors impacting GCI Holdings' operating results.

Depreciation and amortization increased \$21.8 million and \$1.5 million for the years ended December 31, 2019 and 2018, respectively, as compared to the corresponding prior year periods. The increases in 2019 and 2018 were primarily due to new assets placed in service since March 9, 2018, partially offset by assets which became fully depreciated since March 9, 2018 and lower amortization expense because of an accelerated recognition pattern for amortizing intangibles.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

The Company is exposed to market risk in the normal course of business due to its ongoing investing and financial activities. Market risk refers to the risk of loss arising from adverse changes in stock prices and interest rates. The risk of loss can be assessed from the perspective of adverse changes in fair values, cash flows and future earnings. The Company has established policies, procedures and internal processes governing our management of market risks and the use of financial instruments to manage its exposure to such risks.

The Company is exposed to changes in interest rates primarily as a result of its borrowing and investment activities, which include investments in fixed and floating rate debt instruments and borrowings used to maintain liquidity and to fund business operations. The nature and amount of its long-term and short-term debt are expected to vary as a result of future requirements, market conditions and other factors. The Company manages its exposure to interest rates by maintaining what it believes is an appropriate mix of fixed and variable rate debt. The Company believes this best protects it from interest rate risk. The Company has achieved this mix by (i) issuing fixed rate debt that it believes has a low stated interest rate and significant term to maturity, (ii) issuing variable rate debt with appropriate maturities and interest rates and (iii) entering into interest rate swap arrangements when it deems appropriate. As of December 31, 2019, the Company's debt is comprised of the following amounts:

	Variable rate debt		Fixed rate debt	
	Principal amount	Weighted average interest rate	Principal amount	Weighted average interest rate
dollar amounts in thousands				
GCI Holdings	\$ 519,732	4.2%	\$ 775,000	6.8%
Corporate and other	\$ 1,300,000	3.8%	\$ 477,250	1.8%

The Company is exposed to changes in stock prices primarily as a result of its significant holdings in publicly traded securities. The Company continually monitors changes in stock markets, in general, and changes in the stock prices of its holdings, specifically. The Company believes that changes in stock prices can be expected to vary as a result of general market conditions, technological changes, specific industry changes and other factors. The Company periodically uses equity collars and other financial instruments to manage market risk associated with certain investment positions. These instruments are recorded at fair value based on option pricing models.

At December 31, 2019, the fair value of the Company's equity securities was \$2.6 billion. Had the market price of such securities been 10% lower at December 31, 2019, the aggregate value of such securities would have been \$261 million lower. At December 31, 2019, the fair value of the Company's investment in Liberty Broadband was \$5.4 billion. Had the market price of such security been 10% lower at December 31, 2019, the fair value of such security would have been \$537 million lower. Additionally, the Company's investment in LendingTree (an equity method affiliate) is a publicly traded security which is not reflected at fair value in the Company's financial statements. This security is subject to market risk which is not directly reflected in our financial statements.

Item 8. Consolidated Financial Statements and Supplementary Data

The Company's consolidated financial statements are filed under this Item, beginning on page [II-26](#).

Item 9. Changes In and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Disclosure Controls and Procedures

In accordance with Exchange Act Rules 13a-15 and 15d-15, the Company carried out an evaluation, under the supervision and with the participation of management, including its chief executive officer and its principal accounting and financial officer (the "Executives"), of the effectiveness of its disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, the Executives concluded that the Company's disclosure controls and procedures were not effective as of December 31, 2019 due to a material weakness in its internal control over financial reporting that is described below in "Management's Report on Internal Control Over Financial Reporting."

However, giving full consideration to the material weakness, the Company's management has concluded that the consolidated financial statements included in this Annual Report on Form 10-K present fairly, in all material respects, the Company's financial position, results of operations and cash flows for the periods disclosed in conformity with U.S. generally accepted accounting principles ("GAAP"). The Company's independent registered accounting firm, KPMG LLP, has issued its report dated February 26, 2020, which expressed an unqualified opinion on those consolidated financial statements.

Management's Report on Internal Control Over Financial Reporting

See page [II-20](#) for Management's Report on Internal Control Over Financial Reporting.

See page [II-21](#) for KPMG LLP's report regarding the effectiveness of the Company's internal control over financial reporting.

Changes in Internal Control Over Financial Reporting

During the fourth quarter of 2019, the Company continued to review the design of its controls, make adjustments and continued to implement new controls to alleviate the noted control deficiencies. Other than these items, there has been no change in the Company's internal control over financial reporting that occurred during the quarter ended December 31, 2019 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Remediation Plan for Material Weakness in Internal Control Over Financial Reporting

In response to the material weakness identified in "Management's Report on Internal Control Over Financial Reporting," the Company, with oversight from the Audit Committee of the Board of Directors, developed a plan to remediate the material weakness at GCI Holdings. Remediation activities include:

- Continue to hire, train and retain individuals with appropriate skills and experience related to designing, operating and documenting internal control over financial reporting.
- Communicate expectations, monitor for compliance with expectations, and hold individuals accountable for their roles related to internal control over financial reporting.
- Design and implement a comprehensive and continuous risk assessment process to identify and assess financial statement risks and ensure that the financial reporting process and related internal controls are in place to respond to those risks.
- Enhance the design of and implement additional process-level control activities and ensure they are properly evidenced and operating effectively.

The Company believes the foregoing efforts will effectively remediate the material weakness described in "Management's Report on Internal Control Over Financial Reporting." Because the reliability of the internal control process requires repeatable execution, the successful on-going remediation of the material weakness will require on-going review and evidence of effectiveness prior to concluding that the controls are effective. The Company's remediation efforts are underway; however there is no assurance that the remediation efforts will be effective in the future or that additional material weaknesses will not develop or be identified.

Item 9B. Other Information.

None.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of the Company is responsible for establishing and maintaining adequate internal control over the Company's financial reporting, as such term is defined in Rule 13a-15(f) of the Exchange Act. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Because of 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 and procedures may deteriorate.

The Company's management assessed the effectiveness of internal control over financial reporting as of December 31, 2019, using the criteria in *Internal Control-Integrated Framework (2013)*, issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management has concluded that, as of December 31, 2019, the Company's internal control over financial reporting is not effective due to the material weakness described below.

A material weakness is a deficiency, or a combination of 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. A material weakness in internal control over financial reporting exists at GCI Holdings, a wholly-owned subsidiary, as of December 31, 2019, due to:

- Insufficient staffing and training of certain control operators;
- Inadequate assessment of financial reporting risks, which in turn contributed to reliance on business process controls that were not designed and operating effectively to adequately mitigate existing risks;
- Breakdowns in communication of expectations and prioritization of control execution to certain control operators;
- Lack of accountability for effective control operation; and
- Insufficient monitoring activities to ensure that the components of internal control are present and functioning.

As a consequence, the information technology general controls around access to financially relevant systems were not consistently operating effectively to ensure that access to data and applications was adequately restricted to appropriate personnel. Additionally, certain business process controls were not appropriately designed to be responsive to existing risks, nor were they consistently operating effectively.

The control deficiencies did not result in any identified misstatements.

KPMG LLP has issued an adverse opinion on the effectiveness of the Company's internal control over financial reporting. Their report appears on page [II-21](#) of this Annual Report on Form 10-K.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
GCI Liberty, Inc.:

Opinion on Internal Control Over Financial Reporting

We have audited GCI Liberty, Inc. and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, because of the effect of the material weakness, described below, 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, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2019 and 2018, the related consolidated statements of operations, comprehensive earnings (loss), cash flows, and equity for each of the years in the three-year period ended December 31, 2019, and the related notes (collectively, the consolidated financial statements), and our report dated February 26, 2020 expressed an unqualified opinion on those consolidated financial statements.

A material weakness is a deficiency, or a combination of 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. A material weakness has been identified at GCI Holdings, a wholly-owned subsidiary, and included in management's assessment related to:

- Insufficient staffing and training of certain control operators;
- Inadequate assessment of financial reporting risks, which in turn contributed to reliance on business process controls that were not designed and operating effectively to adequately mitigate existing risks;
- Breakdowns in communication of expectations and prioritization of control execution to certain control operators;
- Lack of accountability for effective control operation; and
- Insufficient monitoring activities to ensure that the components of internal control are present and functioning.

As a consequence, the information technology general controls around access to financially relevant systems were not consistently operating effectively to ensure that access to data and applications was adequately restricted to appropriate personnel. Additionally, certain business process controls were not appropriately designed to be responsive to existing risks, nor were they consistently operating effectively.

The material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2019 consolidated financial statements, and this report does not affect our report on those consolidated financial statements.

Basis for Opinion

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

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

Definition and Limitations of Internal Control Over Financial Reporting

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

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

/s/ KPMG LLP

Denver, Colorado
February 26, 2020

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
GCI Liberty, Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of GCI Liberty, Inc. and subsidiaries (the Company) as of December 31, 2019 and 2018, the related consolidated statements of operations, comprehensive earnings (loss), cash flows, and equity for each of the years in the three-year period ended December 31, 2019, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2019, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 26, 2020 expressed an adverse opinion on the effectiveness of the Company's internal control over financial reporting.

Change in Accounting Principle

As discussed in Note 10 to the consolidated financial statements, the Company has changed its method of accounting for leases as of January 1, 2019 due to the adoption of Accounting Standards Codification Topic 842, Leases.

Basis for Opinion

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

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

Critical Audit Matters

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

Performance of incremental audit procedures over revenue and accounts receivable that are reliant on systems impacted by ineffective information technology general controls

As of December 31, 2019, the Company determined a material weakness in internal control existed due, in part, to ineffective system access information technology general controls (ITGCs) related to information technology (IT) systems that are significant to the revenue and accounts receivable processes. Automated and manual business process controls that were dependent on the affected ITGCs were also deemed ineffective because they could have been adversely impacted. Financial statement account balances and disclosures affected by this material weakness included revenue and accounts receivable.

We identified the performance of incremental audit procedures over revenue and accounts receivable that are reliant on IT systems impacted by ineffective ITGCs as a critical audit matter. A high degree of auditor judgment was required to design incremental audit procedures, including determining the revenue streams over which incremental procedures were performed. Further, in light of the complexity of the Company's IT environment, a high degree of auditor judgment was required to assess the sufficiency of the procedures performed and evidence obtained.

The primary procedures we performed to address this critical audit matter included the following. We used our judgment to determine the nature and extent of incremental procedures performed over revenue and accounts receivable that are reliant on IT systems impacted by ineffective ITGCs. This included determining the revenue streams over which those incremental procedures were performed. For each revenue stream where incremental procedures were performed, we:

- assessed the recorded revenue and accounts receivable by selecting a sample of transactions and compared the amounts recorded to underlying documentation, including contracts with customers, where available, as well as payment or other available evidence for services and products provided.
- increased the number of sample revenue and accounts receivable transactions selected for testing from what we would have otherwise selected if the Company's internal controls were designed and operating effectively during the entire year.

In addition, we evaluated the overall sufficiency of audit evidence obtained over revenue and accounts receivable that are reliant on IT systems impacted by ineffective ITGCs.

Evaluation of impairment analysis of the wireless licenses and the goodwill of the GCI Holdings reporting unit

As discussed in Note 8 to the consolidated financial statements, and disclosed in the consolidated balance sheet, the Company's wireless licenses balance as of December 31, 2019 was \$35 million. Additionally, the Company's goodwill balance as of December 31, 2019 was \$856 million of which \$830 million related to the GCI Holdings reporting unit. The Company performs impairment testing on an annual basis and whenever events or changes in circumstances indicate an impairment may have occurred. As a result of the annual impairment assessment, the Company recorded an impairment of wireless licenses of \$157 million and no impairment of its goodwill.

We identified the evaluation of the impairment analysis of the wireless licenses and goodwill of the GCI Holdings reporting unit as a critical audit matter. There was a high degree of subjective auditor judgment in applying and evaluating the results of our audit procedures over the estimation of fair value for the wireless licenses and the GCI Holdings reporting unit. Specifically, testing the forecasted revenue and discount rate assumptions used to determine the estimated fair values involved a high degree of subjectivity. In addition, these fair values were challenging to test due to the sensitivity of the fair value to changes in these assumptions.

The primary procedures we performed to address this critical audit matter included the following. We tested certain internal controls over the Company's wireless licenses and goodwill impairment assessment process, including controls related to the development of the assumptions noted above. We evaluated the Company's forecasted revenue that was used in estimating the fair values, by comparing the forecast to historical actual results of the Company and to forecasted revenue growth rates of its peer companies. We compared the Company's historical revenue forecasts to actual results to assess the Company's ability to accurately forecast. We evaluated the revenue forecasts in consideration of planned business initiatives. In addition, we involved valuation professionals with specialized skills and knowledge, who assisted in:

- evaluating the forecasted revenue in the wireless licenses valuation, by comparing the revenue growth rate to publicly available market data and considering the forecasted revenue used in prior year valuations of the wireless licenses;
- evaluating the discount rates used in the impairment analyses by comparing them to discount rate ranges that were independently developed using publicly available market data for comparable entities; and

- assessing the estimates of the fair values of the wireless licenses and GCI Holdings reporting unit using the Company's forecasted revenue and discount rates.

Assessment of liabilities and disclosures related to noncompliance with the Rural Health Care Program

As discussed in Note 16 to the consolidated financial statements, the Company receives support from various Universal Services Fund (USF) programs, including the Rural Health Care (RHC) Program, which is administered by the Universal Service Administration Company. The USF programs are subject to interpretation and regulatory actions taken by the Federal Communications Commission (FCC). The Company became aware of potential RHC Program compliance issues in the fourth quarter of 2019 and accrued a loss of \$17 million for contracts that are deemed probable of not complying with the RHC Program rules. The Company also identified certain contracts where additional loss was reasonably possible and such loss could range from zero to \$44 million.

We identified the assessment of liabilities and disclosures related to noncompliance with the RHC Program as a critical audit matter. There was especially subjective auditor judgment involved in assessing the probability of loss, and in assessing the Company's determination of reliable estimates of such probable and reasonably possible losses related to these matters, including the sufficiency of audit evidence.

The primary procedures we performed to address this critical audit matter included the following. We inquired of and inspected minutes of meetings involving senior management of the Company and those charged with governance. We inspected correspondence with the FCC regarding developments in FCC regulatory compliance matters. We inquired of the Company's internal legal and external legal counsel and inspected a selection of customer contracts and related documents. We read letters received directly from the Company's external legal counsel. Based on these procedures, we assessed the probability of loss and the estimates made in determining the recorded liability and the related disclosures. In addition, we evaluated the sufficiency of audit evidence obtained over the liabilities and disclosures related to noncompliance with the RHC Program.

/s/ KPMG LLP

We have served as the Company's auditor since 2017.

Denver, Colorado
February 26, 2020

GCI LIBERTY, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2019 and 2018

	2019	2018
	amounts in thousands	
<i>Assets</i>		
Current assets:		
Cash and cash equivalents	\$ 569,520	491,257
Trade and other receivables, net of allowance for doubtful accounts of \$7,516 and \$7,555, respectively	114,435	182,600
Current portion of tax sharing receivable	—	36,781
Other current assets	43,868	40,100
Total current assets	727,823	750,738
Investments in equity securities (note 6)	2,605,293	1,533,517
Investments in affiliates, accounted for using the equity method (note 7)	167,643	177,030
Investment in Liberty Broadband measured at fair value (note 7)	5,367,242	3,074,373
Property and equipment, net	1,090,901	1,184,606
Intangible assets not subject to amortization		
Goodwill (note 8)	855,837	855,837
Cable certificates	305,000	305,000
Wireless licenses	35,000	190,000
Other	6,500	16,500
	1,202,337	1,367,337
Intangible assets subject to amortization, net (note 8)	391,979	436,006
Tax sharing receivable	84,534	65,701
Other assets, net	295,693	71,514
Total assets	\$ 11,933,445	8,660,822

(Continued)

See accompanying notes to consolidated financial statements.

GCI LIBERTY, INC. AND SUBSIDIARIES

Consolidated Balance Sheets (Continued)

December 31, 2019 and 2018

	2019	2018
	amounts in thousands, except share amounts	
<i>Liabilities and Equity</i>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 92,893	100,334
Deferred revenue	27,886	31,743
Current portion of debt, net of deferred financing costs (note 9)	3,008	900,759
Indemnification obligation (note 5)	202,086	—
Other current liabilities	69,149	47,958
Total current liabilities	395,022	1,080,794
Long-term debt, net, including \$658,839 and \$462,336 measured at fair value (note 9)	3,263,210	1,985,275
Obligations under finance leases and tower obligations, excluding current portion (note 10)	97,507	122,245
Long-term deferred revenue	57,986	65,954
Deferred income tax liabilities	1,527,109	793,696
Preferred stock (note 12)	178,002	177,103
Derivative Instrument (note 5)	71,305	—
Indemnification obligation (note 5)	—	78,522
Other liabilities	133,020	50,543
Total liabilities	5,723,161	4,354,132
<i>Equity</i>		
Stockholders' equity:		
Series A common stock, \$0.01 par value. Authorized 500,000,000 shares; issued and outstanding 101,306,716 and 102,058,816 shares at December 31, 2019 and 2018, respectively	1,013	1,021
Series B common stock, \$0.01 par value. Authorized 20,000,000 shares; issued and outstanding 4,437,593 and 4,441,609 shares at December 31, 2019 and 2018, respectively	44	44
Series C common stock, \$0.01 par value. Authorized 1,040,000,000 shares; no issued and outstanding shares at December 31, 2019 and 2018	—	—
Additional paid-in capital	3,221,885	3,251,957
Accumulated other comprehensive earnings (loss), net of taxes	(4,084)	168
Retained earnings	2,982,626	1,043,933
Total stockholders' equity	6,201,484	4,297,123
Non-controlling interests	8,800	9,567
Total equity	6,210,284	4,306,690
Commitments and contingencies		
Total liabilities and equity	\$ 11,933,445	8,660,822

See accompanying notes to consolidated financial statements.

GCI LIBERTY, INC. AND SUBSIDIARIES
Consolidated Statements of Operations
Years ended December 31, 2019, 2018 and 2017

	2019	2018	2017
	amounts in thousands, except per share amounts		
Revenue	\$ 894,733	739,762	23,817
Operating costs and expenses:			
Operating expense (exclusive of depreciation and amortization shown separately below)	285,331	227,192	11,541
Selling, general and administrative, including stock-based compensation (note 14)	399,286	347,676	64,621
Depreciation and amortization expense	266,333	206,946	3,252
Impairment of intangibles and long-lived assets	167,062	207,940	—
Insurance proceeds and restructuring, net	(5,758)	—	—
	1,112,254	989,754	79,414
Operating income (loss)	(217,521)	(249,992)	(55,597)
Other income (expense):			
Interest expense (including amortization of deferred loan fees)	(153,803)	(119,296)	—
Share of earnings (losses) of affiliates, net (note 7)	(2,629)	25,772	7,001
Realized and unrealized gains (losses) on financial instruments, net (note 5)	3,002,400	(681,545)	637,164
Tax sharing agreement	26,646	(32,105)	—
Other, net	13,172	205	2,467
	2,885,786	(806,969)	646,632
Earnings (loss) before income taxes	2,668,265	(1,056,961)	591,035
Income tax (expense) benefit	(730,023)	183,307	133,522
Net earnings (loss)	1,938,242	(873,654)	724,557
Less net earnings (loss) attributable to the non-controlling interests	(456)	(351)	(29)
Net earnings (loss) attributable to GCI Liberty, Inc. shareholders	\$ 1,938,698	(873,303)	724,586
Basic net earnings (loss) attributable to Series A and Series B GCI Liberty, Inc. shareholders per common share (note 2)	\$ 18.41	(8.09)	6.65
Diluted net earnings (loss) attributable to Series A and Series B GCI Liberty, Inc. shareholders per common share (note 2)	\$ 18.32	(8.09)	6.65

See accompanying notes to consolidated financial statements.

GCI LIBERTY, INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Earnings (Loss)
Years ended December 31, 2019, 2018 and 2017

	2019	2018	2017
	amounts in thousands		
Net earnings (loss)	\$ 1,938,242	(873,654)	724,557
Other comprehensive earnings (loss), net of taxes:			
Comprehensive earnings (loss) attributable to debt credit risk adjustments	(4,252)	168	—
Comprehensive earnings (loss)	1,933,990	(873,486)	724,557
Less comprehensive earnings (loss) attributable to the non-controlling interests	(456)	(351)	(29)
Comprehensive earnings (loss) attributable to GCI Liberty, Inc. shareholders	\$ 1,934,446	(873,135)	724,586

See accompanying notes to consolidated financial statements.

GCI LIBERTY, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
Years ended December 31, 2019, 2018 and 2017

	2019	2018	2017
	amounts in thousands (See note 3)		
Cash flows from operating activities:			
Net earnings (loss)	\$ 1,938,242	(873,654)	724,557
Adjustments to reconcile net earnings (loss) to net cash from operating activities:			
Depreciation and amortization	266,333	206,946	3,252
Stock-based compensation expense	24,897	28,207	26,583
Share of (earnings) losses of affiliates, net	2,629	(25,772)	(7,001)
Realized and unrealized (gains) losses on financial instruments, net	(3,002,400)	681,545	(637,164)
Deferred income tax expense (benefit)	729,970	(182,724)	(133,522)
Intergroup tax payments	—	—	287,763
Impairment of intangibles and long-lived assets	167,062	207,940	—
Other, net	4,800	13,441	1,040
Change in operating assets and liabilities:			
Current and other assets	3,041	(34,698)	31,772
Payables and other liabilities	(45,969)	61,657	7,584
Net cash provided (used) by operating activities	<u>88,605</u>	<u>82,888</u>	<u>304,864</u>
Cash flows from investing activities:			
Cash and restricted cash from acquisition of GCI Holdings	—	147,957	—
Capital expended for property and equipment	(148,481)	(134,352)	(3,488)
Purchases of investments	—	(48,581)	(76,815)
Proceeds from derivative instrument	105,866	—	—
Settlement of derivative instrument	(105,866)	—	—
Other investing activities, net	17,799	2,700	2,180
Net cash provided (used) by investing activities	<u>(130,682)</u>	<u>(32,276)</u>	<u>(78,123)</u>
Cash flows from financing activities:			
Borrowings of debt	877,308	1,588,703	—
Repayment of debt, finance leases, and tower obligations	(688,901)	(254,033)	—
Contributions from (distributions to) former parent, net	—	(1,122,272)	(109,540)
Indemnification payment to Qurate Retail	—	(132,725)	—
Derivative payments	—	(80,001)	—
Repurchases of GCI Liberty common stock	(43,910)	(111,648)	—
Other financing activities, net	(18,302)	(20,752)	(31,180)
Net cash provided (used) by financing activities	<u>126,195</u>	<u>(132,728)</u>	<u>(140,720)</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	84,118	(82,116)	86,021
Cash, cash equivalents and restricted cash at beginning of period	492,032	574,148	488,127
Cash, cash equivalents and restricted cash at end of period	<u>\$ 576,150</u>	<u>492,032</u>	<u>574,148</u>

See accompanying notes to consolidated financial statements.

GCI LIBERTY, INC. AND SUBSIDIARIES

Consolidated Statement of Equity

Years ended December 31, 2019, 2018, and 2017

	Series A common stock	Series B common stock	Parent's investment	Additional paid-in capital	Accumulated other comprehensive earnings (loss)	Retained earnings	Non-controlling interest in equity of subsidiaries	Total equity
amounts in thousands								
Balances at January 1, 2017	\$ —	—	2,398,452	—	—	1,190,568	3,662	3,592,682
Net earnings (loss)	—	—	—	—	—	724,586	(29)	724,557
Stock-based compensation	—	—	26,243	—	—	—	—	26,243
Withholding taxes on net share settlements of stock-based compensation	—	—	(27,793)	—	—	—	—	(27,793)
Contributions from (distributions to) former parent, net	—	—	(146,680)	—	—	—	—	(146,680)
Intergroup (payments) receipts	—	—	37,140	—	—	—	—	37,140
Other	—	—	18,078	—	—	(191)	—	17,887
Balances at December 31, 2017	—	—	2,305,440	—	—	1,914,963	3,633	4,224,036
Net earnings (loss)	—	—	—	—	—	(873,303)	(351)	(873,654)
Other comprehensive earnings (loss)	—	—	—	—	168	—	—	168
Stock-based compensation	—	—	—	25,399	—	—	—	25,399
Series A GCI Liberty stock repurchases	(25)	—	—	(111,623)	—	—	—	(111,648)
Contribution of taxes in connection with HoldCo Split-Off	—	—	1,341,657	—	—	—	—	1,341,657
Contributions from (distributions to) former parent, net	—	—	(1,122,272)	(2,019)	—	2,019	—	(1,122,272)
Change in Capitalization in connection with HoldCo Split-Off	1,046	44	(2,524,825)	2,523,735	—	—	7,000	7,000
Issuance of GCI Liberty Stock in connection with the Transactions	—	—	—	1,111,206	—	—	—	1,111,206
Issuance of Indemnification Agreement	—	—	—	(281,255)	—	—	—	(281,255)
Distribution to non-controlling interests	—	—	—	—	—	—	(3,625)	(3,625)
Other	—	—	—	(13,486)	—	254	2,910	(10,322)
Balances at December 31, 2018	1,021	44	—	3,251,957	168	1,043,933	9,567	4,306,690
Net earnings (loss)	—	—	—	—	—	1,938,698	(456)	1,938,242
Other comprehensive earnings (loss)	—	—	—	—	(4,252)	—	—	(4,252)
Stock-based compensation	—	—	—	26,019	—	—	—	26,019
Series A GCI Liberty stock repurchases	(10)	—	—	(43,900)	—	—	—	(43,910)
Issuance of common stock upon exercise of stock options	2	—	—	1,878	—	—	—	1,880
Withholding taxes on net share settlements of stock-based compensation	—	—	—	(11,088)	—	—	—	(11,088)
Other	—	—	—	(2,981)	—	(5)	(311)	(3,297)
Balances at December 31, 2019	\$ 1,013	44	—	3,221,885	(4,084)	2,982,626	8,800	6,210,284

See accompanying notes to consolidated financial statements.

GCI LIBERTY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

(1) Basis of Presentation

On April 4, 2017, Liberty Interactive Corporation, now known as Qurate Retail, Inc. ("Qurate Retail"), entered into an Agreement and Plan of Reorganization (as amended, the "reorganization agreement" and the transactions contemplated thereby, the "Transactions") with General Communication, Inc. ("GCI"), an Alaska corporation and parent company of GCI Holdings, LLC ("GCI Holdings"), and Liberty Interactive LLC, a Delaware limited liability company and a direct wholly-owned subsidiary of Qurate Retail ("LI LLC"). Pursuant to the reorganization agreement, GCI amended and restated its articles of incorporation (which resulted in GCI being renamed GCI Liberty, Inc. ("GCI Liberty")) and effected a reclassification and auto conversion of its common stock. Following these events, Qurate Retail acquired GCI Liberty on March 9, 2018 through a reorganization in which certain Qurate Retail interests, assets and liabilities attributed to its Ventures Group (following the reattribution by Qurate Retail of certain assets and liabilities from its Ventures Group to its QVC Group), were contributed to GCI Liberty in exchange for a controlling interest in GCI Liberty (the "contribution"). Qurate Retail and LI LLC contributed to GCI Liberty their entire equity interests in Liberty Broadband Corporation ("Liberty Broadband"), Charter Communications, Inc. ("Charter"), and LendingTree, Inc. ("LendingTree"), the Evite, Inc. ("Evite") operating business and other assets and liabilities (collectively, "HoldCo"), in exchange for (a) the issuance to LI LLC of a number of shares of GCI Liberty Class A common stock and a number of shares of GCI Liberty Class B common stock equal to the number of outstanding shares of Qurate Retail's Series A Liberty Ventures common stock and Qurate Retail's Series B Liberty Ventures common stock on March 9, 2018, respectively, (b) cash and (c) the assumption of certain liabilities by GCI Liberty.

The contribution was treated as a reverse acquisition under the acquisition method of accounting in accordance with generally accepted accounting principles in the United States ("GAAP"). For accounting purposes, HoldCo is considered to have acquired GCI Liberty in the contribution based, among other considerations, upon the fact that in exchange for the contribution of HoldCo, Qurate Retail received a controlling interest in the combined company of GCI Liberty.

Following the contribution and acquisition of GCI Liberty, Qurate Retail effected a tax-free separation of its controlling interest in the combined company, GCI Liberty, to the holders of Qurate Retail's Liberty Ventures common stock in full redemption of all outstanding shares of such stock (the "HoldCo Split-Off"), in which each outstanding share of Qurate Retail's Series A Liberty Ventures common stock ("LVNTA") was redeemed for one share of GCI Liberty Class A common stock and each outstanding share of Qurate Retail's Series B Liberty Ventures common stock ("LVNTB") was redeemed for one share of GCI Liberty Class B common stock. In July 2018, the Internal Revenue Service ("IRS") completed its review of the HoldCo Split-Off and informed Qurate Retail that it agreed with the nontaxable characterization of the transactions. Qurate Retail received an Issue Resolution Agreement from the IRS documenting this conclusion.

On May 10, 2018, pursuant to the Agreement and Plan of Merger, dated as of March 22, 2018, GCI Liberty completed its reincorporation into Delaware by merging with its wholly owned Delaware subsidiary, which was the surviving corporation (the "Reincorporation Merger"). References to GCI Liberty or the Company prior to May 10, 2018 refer to GCI Liberty, Inc., an Alaska corporation and references to GCI Liberty after May 10, 2018 refer to GCI Liberty, Inc., a Delaware corporation.

The accompanying consolidated financial statements refer to the combination of GCI Holdings, non-controlling interests in Liberty Broadband, Charter and LendingTree, a controlling interest in Evite, and certain other assets and liabilities as "GCI Liberty", the "Company", "us", "we" and "our." Although HoldCo was reported as a combined company until the date of the HoldCo Split-Off, these financial statements present all periods as consolidated by the Company. All significant intercompany accounts and transactions have been eliminated in the consolidated financial statements.

The Company, through its ownership of interests in subsidiaries and other companies, is primarily engaged in providing a full range of wireless, data, video, voice, and managed services to residential customers, businesses, governmental entities, and educational and medical institutions primarily in Alaska.

The Company holds investments that are accounted for using the equity method. The Company does not control the decision making process or business management practices of these affiliates. Accordingly, the Company relies on management of these affiliates to provide it with accurate financial information prepared in accordance with GAAP that the Company uses in the application of the equity method. In addition, the Company relies on audit reports that are provided by the affiliates' independent auditors on the financial statements of such affiliates. The Company is not aware, however, of any errors in or

GCI LIBERTY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

possible misstatements of the financial information provided by its equity affiliates that would have a material effect on its consolidated financial statements.

Split-Off from Qurate Retail

Following the HoldCo Split-Off, Qurate Retail and GCI Liberty operate as separate, publicly traded companies, and neither have any stock ownership, beneficial or otherwise, in the other. In connection with the HoldCo Split-Off, Qurate Retail, Liberty Media Corporation ("Liberty Media") (or its subsidiary) and GCI Liberty entered into certain agreements in order to govern certain of the ongoing relationships among the companies after the HoldCo Split-Off and to provide for an orderly transition. These agreements include an indemnification agreement, a reorganization agreement, a services agreement, a facilities sharing agreement and a tax sharing agreement.

The reorganization agreement provides for, among other things, the principal corporate transactions (including the internal restructuring) required to effect the Transactions and certain conditions to and provisions governing the relationship between GCI Liberty and Qurate Retail (for accounting purposes a related party of GCI Liberty) with respect to and resulting from the Transactions. The tax sharing agreement provides for the allocation and indemnification of tax liabilities and benefits between Qurate Retail and GCI Liberty and other agreements related to tax matters. Pursuant to the tax sharing agreement, GCI Liberty has agreed to indemnify Qurate Retail for taxes and tax-related losses resulting from the Holdco Split-Off to the extent such taxes or tax-related losses (i) result primarily from, individually or in the aggregate, the breach of certain restrictive covenants made by GCI Liberty (applicable to actions or failures to act by GCI Liberty and its subsidiaries following the completion of the Holdco Split-Off), or (ii) result from Section 355(e) of the Internal Revenue Code applying to the Holdco Split-Off as a result of the Holdco Split-Off being part of a plan (or series of related transactions) pursuant to which one or more persons acquire, directly or indirectly, a 50-percent or greater interest (measured by vote or value) in the stock of GCI Liberty (or any successor corporation). Pursuant to the services agreement, Liberty Media provides GCI Liberty with general and administrative services including legal, tax, accounting, treasury and investor relations support. See below for a description of an amendment to the services agreement entered into in December 2019. Under the facilities sharing agreement, GCI Liberty shares office space with Liberty Media and related amenities at its corporate headquarters. GCI Liberty reimburses Liberty Media for direct, out-of-pocket expenses incurred by Liberty Media in providing these services and for costs negotiated semi-annually.

Liberty Media is a related party of GCI Liberty for accounting purposes as a result of the services agreement. Under these agreements, amounts reimbursable to Liberty Media were approximately \$9.7 million and \$8.3 million for the years ended December 31, 2019 and 2018, respectively.

In addition, Qurate Retail and GCI Liberty have agreed to indemnify each other with respect to certain potential losses in respect of the HoldCo Split-Off. See note 5 for information related to the indemnification agreement.

In December 2019, the Company entered into an amendment to the services agreement with Liberty Media in connection with Liberty Media's entry into a new employment arrangement with Gregory B. Maffei, the Company's President and Chief Executive Officer. Under the amended services agreement, components of his compensation will either be paid directly to him by each of the Company, Liberty TripAdvisor Holdings, Inc., Liberty Broadband, and Qurate Retail (collectively, the "Service Companies") or reimbursed to Liberty Media, in each case, based on allocations among Liberty Media and the Service Companies set forth in the amended services agreement, currently set at 14% for the Company. The new agreement between Liberty Media and Mr. Maffei provides for a five year employment term which began on January 1, 2020 and ends December 31, 2024, with an aggregate annual base salary of \$3 million (with no contracted increase), an aggregate one-time cash commitment bonus of \$5 million, an aggregate annual target cash performance bonus of \$17 million, aggregate annual equity awards of \$17.5 million and aggregate equity awards granted in connection with his entry into his new agreement of \$90 million (the "upfront awards").

(2) Summary of Significant Accounting Principles

Cash and Cash Equivalents

Cash equivalents consist of investments which are readily convertible into cash and have maturities of three months or less at the time of acquisition. Financial instruments, which potentially subject the Company to concentration of credit risk,

GCI LIBERTY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

consist primarily of cash and cash equivalents and corporate debt securities. The Company maintains some cash and cash equivalents balances with financial institutions that are in excess of Federal Deposit Insurance Corporation insurance limits.

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 the Company's best estimate of the amount of probable credit losses in its existing accounts receivable. The Company bases its estimates on the aging of its accounts receivable balances, financial health of specific customers, regional economic data, changes in its collections process, regulatory requirements and its customers' compliance with Universal Service Administrative Company rules. The Company reviews its allowance for doubtful receivables methodology at least annually.

Depending upon the type of account receivable the Company's allowance is calculated using a pooled basis with an allowance for all accounts greater than 20 days past due, a pooled basis using a percentage of related accounts, 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 it determines that it is probable the receivable will not be recovered. The Company does not have any off-balance-sheet credit exposure related to its customers.

Changes in the allowance for doubtful receivables during the years ended December 31, 2019, 2018 and 2017 are summarized below (amounts in thousands):

Description	Balance at beginning of year	Additions		Deductions	Balance at end of year
		Charged to costs and expenses	Charged to other accounts	Write-offs net of recoveries	
2019	\$ 7,555	10,139	—	4,522	13,172
2018	\$ —	8,741	—	1,186	7,555
2017	\$ 1,100	—	—	1,100	—

As of December 31, 2019, \$7.5 million and \$5.7 million of the allowance for doubtful receivables is recorded in Trade and other receivables, net and Other assets, net, respectively, in the consolidated balance sheets.

Investments

All marketable equity and debt securities held by the Company are carried at fair value, generally based on quoted market prices and changes in the fair value of such securities are reported in realized and unrealized gain (losses) on financial instruments in the accompanying consolidated statements of operations. The Company elected the measurement alternative (defined as the cost of the security, adjusted for changes in fair value when there are observable prices, less impairments) for its equity securities without readily determinable fair values.

For those investments in affiliates in which the Company has the ability to exercise significant influence, the equity method of accounting is used. Under this method, the investment, originally recorded at cost, is adjusted to recognize the Company's share of net earnings or losses of the affiliate as they occur rather than as dividends or other distributions are received. Losses are limited to the extent of the Company's investment in, advances to and commitments for the investee. In the event the Company is unable to obtain accurate financial information from an equity affiliate in a timely manner, the Company records its share of earnings or losses of such affiliate on a lag.

Changes in the Company's proportionate share of the underlying equity of an equity method investee, which result from the issuance of additional equity securities by such equity investee, are recognized in the statements of operations through the Other, net line item. To the extent there is a difference between the Company's ownership percentage in the underlying equity of an equity method investee and the Company's carrying value, such difference is accounted for as if the equity method investee were a consolidated subsidiary.

GCI LIBERTY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

The Company continually reviews its equity method investments to determine whether a decline in fair value below the carrying value is other than temporary. The primary factors the Company considers in its determination are the length of time that the fair value of the investment is below the Company's carrying value; the severity of the decline; and the financial condition, operating performance and near term prospects of the investee. In addition, the Company considers the reason for the decline in fair value, be it general market conditions, industry specific or investee specific; analysts' ratings and estimates of 12-month share price targets for the investee; changes in stock price or valuation subsequent to the balance sheet date; and the Company's intent and ability to hold the investment for a period of time sufficient to allow for a recovery in fair value. If the decline in fair value is deemed to be other than temporary, the carrying value of the equity method investment is written down to fair value. In situations where the fair value of an investment is not evident due to a lack of a public market price or other factors, the Company uses its best estimates and assumptions to arrive at the estimated fair value of such investment. The Company's assessment of the foregoing factors involves a high degree of judgment and accordingly, actual results may differ materially from the Company's estimates and judgments. Writedowns for equity method investments are included in share of earnings (losses) of affiliates.

The Company performs a qualitative assessment each reporting period for its equity securities without readily determinable fair values to identify whether an equity security could be impaired. When the Company's qualitative assessment indicates that an impairment could exist, it estimates the fair value of the investment and to the extent the fair value is less than the carrying value, it records the difference as an impairment in the consolidated statements of operations.

Derivative Instruments

The Company's derivative is recorded on the balance sheet at fair value. The Company's derivative is not designated as a hedge, and changes in the fair value of the derivative are recognized in earnings.

The fair value of the Company's derivative instrument is estimated using the Black-Scholes-Merton model. The Black-Scholes-Merton model incorporates a number of variables in determining such fair values, including expected volatility of the underlying security and an appropriate discount rate. The Company obtains volatility rates from pricing services based on the expected volatility of the underlying security over the remaining term of the derivative instrument. A discount rate is obtained at the inception of the derivative instrument and updated each reporting period, based on the Company's estimate of the discount rate at which it could currently settle the derivative instrument. The Company considered its own credit risk as well as the credit risk of its counterparties in estimating the discount rate. Management judgment is required in estimating the Black-Scholes-Merton model variables.

Property and Equipment

Property and equipment is stated at depreciated cost less impairments, if any. Construction costs of facilities are capitalized. Construction in progress represents transmission equipment and support equipment and systems not placed in service on December 31, 2019, that management intends to place in service during 2020. 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.

GCI LIBERTY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

Net property and equipment consists of the following:

	December 31,	
	2019	2018
	amounts in thousands	
Land and buildings (25 years)	\$ 118,973	105,525
Telephony transmission equipment and distribution facilities (5-20 years)	837,966	763,957
Cable transmission equipment and distribution facilities (5-30 years)	120,642	100,391
Support equipment and systems (3-20 years)	132,854	118,230
Customer premise equipment (2-20 years)	34,202	21,351
Fiber optic cable systems (15-25 years)	53,646	53,384
Other (5-15 years)	21,478	19,381
Property and equipment under finance leases	17,695	41,084
Construction in progress	95,386	113,819
	1,432,842	1,337,122
Less accumulated depreciation	336,691	145,321
Less accumulated depreciation on property and equipment under finance leases	5,250	7,195
Property and equipment, net	\$ 1,090,901	1,184,606

Depreciation of property and equipment under finance leases is included in depreciation and amortization expense in the consolidated statements of operations. Depreciation expense for the years ended December 31, 2019, 2018 and 2017 was \$204.2 million, \$153.5 million and \$0.2 million, respectively.

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.

Material interest costs incurred during the construction period of non-software capital projects 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. Capitalized interest costs were \$4.2 million and \$3.9 million for the years ended December 31, 2019 and 2018, respectively.

Impairment of Long-lived Assets

The Company periodically reviews the carrying amounts of its property and equipment and its intangible assets (other than goodwill and indefinite-lived intangible assets) to determine whether current events or circumstances indicate that such carrying amounts may not be recoverable. If the carrying amount of the asset group is greater than the expected undiscounted cash flows to be generated by such asset group, including its ultimate disposition, an impairment adjustment is to be recognized. Such adjustment is measured by the amount that the carrying value of such asset groups exceeds their fair value. The Company generally measures fair value by considering sale prices for similar asset groups or by discounting estimated future cash flows using an appropriate discount rate. Considerable management judgment is necessary to estimate the fair value of asset groups. Accordingly, actual results could vary significantly from such estimates. Asset groups to be disposed of are carried at the lower of their financial statement carrying amount or fair value less costs to sell.

Asset Retirement Obligations

The Company records the fair value of a liability for an asset retirement obligation in the period in which it is incurred in Other liabilities in the consolidated balance sheet. When the liability is initially recorded, the Company capitalizes 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

GCI LIBERTY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

cost is depreciated over the useful life of the related asset. Upon settlement of the liability, the Company either settles the obligation for its recorded amount or incurs a gain or loss upon settlement.

The majority of the Company's asset retirement obligations are the estimated cost to remove telephony transmission equipment and support equipment from leased property. The asset retirement obligation is in Other liabilities in the consolidated balance sheets. Following is a reconciliation of the beginning and ending aggregate carrying amounts of the liability for asset retirement obligations (amounts in thousands):

Balance at January 1, 2018	\$	—
Liability acquired		38,686
Liability incurred		113
Accretion expense		1,662
Liability settled		—
Balance at December 31, 2018		40,461
Liability incurred		217
Accretion expense		1,596
Liability settled		(74)
Balance at December 31, 2019	\$	42,200

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

Intangible Assets

Internally used software, whether developed or purchased and installed as is, is capitalized and amortized using the straight-line method over an estimated useful life of three to five years. The Company capitalizes certain costs associated with internally developed software such as payroll costs of employees devoting time to the projects, external direct costs for materials and services, and interest costs incurred. 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.

The Company has Software as a Service ("SaaS") arrangements which are accounted for as service agreements, and are not capitalized. Internal and other third party costs for SaaS arrangements are expensed as incurred. Data migration costs for such arrangements are expensed consistent with the same type of costs for internally developed and modified software. Additionally, configuration costs paid to the vendor are recorded as a prepaid expense and expensed over the term of the SaaS arrangement.

Intangible assets with estimable useful lives are amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment upon certain triggering events. Intangible assets with estimable useful lives are being amortized over 1 to 20 year periods with a weighted-average life of 13.80 years.

Goodwill, cable certificates (certificates of convenience and public necessity), wireless licenses and other intangible assets with indefinite useful lives are not amortized, but instead are tested for impairment at least annually. 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. Goodwill represents the excess of cost over fair value of net assets acquired in connection with a business acquisition. The Company's annual impairment assessment of its indefinite-lived intangible assets is performed during the fourth quarter of each year.

GCI LIBERTY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

The accounting guidance allows entities the option to perform a quantitative impairment test for goodwill. The entity may resume performing the qualitative assessment in any subsequent period. In evaluating goodwill on a qualitative basis, the Company reviews the business performance of each reporting unit and evaluates other relevant factors as identified in the relevant accounting guidance to determine whether it was more likely than not that an indicated impairment exists for any of its reporting units. The Company considers whether there are any negative macroeconomic conditions, industry specific conditions, market changes, increased competition, increased costs in doing business, management challenges, the legal environments and how these factors might impact company specific performance in future periods. As part of the analysis the Company also considers fair value determinations for certain reporting units that have been made at various points throughout the current year and prior year for other purposes. If based on the qualitative analysis it is more likely than not that an impairment exists, the Company performs the quantitative impairment test.

The quantitative goodwill impairment test compares the estimated fair value of a reporting unit to its carrying value and to the extent the carrying value is greater than the fair value, the difference is recorded as an impairment in the consolidated statements of operations. Developing estimates of fair value requires significant judgments, including making assumptions about appropriate discount rates, perpetual growth rates, relevant comparable market multiples, public trading prices and the amount and timing of expected future cash flows. The cash flows employed in the Company's valuation analyses are based on management's best estimates considering current marketplace factors and risks as well as assumptions of growth rates in future years. There is no assurance that actual results in the future will approximate these forecasts.

The accounting guidance also permits entities to first perform a qualitative assessment to determine whether it is more likely than not that an indefinite-lived intangible asset, other than goodwill, is impaired. The accounting guidance also allows entities the option to bypass the qualitative assessment for any indefinite-lived intangible asset in any period and proceed directly to the quantitative impairment test. The entity may resume performing the qualitative assessment in any subsequent period. If the qualitative assessment supports that it is more likely than not that the carrying value of the Company's indefinite-lived intangible assets, other than goodwill, exceeds its fair value, then a quantitative assessment is performed. If the carrying value of an indefinite-lived intangible asset exceeds its fair value, an impairment loss is recognized in an amount equal to that excess.

See note 8 for information on impairments recorded during the years ended December 31, 2019 and 2018.

Revenue Recognition

In May 2014, the Financial Accounting Standards Board (the "FASB") issued new accounting guidance on revenue from contracts with customers. The Company adopted the new guidance, which established Accounting Standards Codification Topic 606 ("ASC 606"), effective January 1, 2018, under the modified retrospective transition method. The impact of the new guidance on Evite was not material to the consolidated financial statements. GCI Holdings adopted the new guidance prior to its acquisition by HoldCo. As a result, there was no impact to the Company's consolidated financial statements related to GCI Holdings' adoption of the new guidance.

Revenue is measured based on consideration specified in a contract with a customer and excludes any sales incentives and amounts collected on behalf of third parties. The Company recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Substantially all of the Company's revenue is earned from services transferred over time. If at contract inception the Company determines the time period between when it transfers a promised good or service to a customer and when the customer pays for that good or service is one year or less, the Company does not adjust the promised amount of consideration for the effects of a significant financing component.

Certain of the Company's customers have guaranteed levels of service. If an interruption in service occurs, the Company does 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.

Taxes assessed by a governmental authority that are both imposed on, and concurrent with, a specific revenue-producing transaction that are collected by the Company from a customer, are excluded from revenue from contracts with customers.

GCI LIBERTY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

Nature of Services and Products

Wireless

Wireless revenue is generated by providing access to, and usage of the Company's network by consumer, business, and wholesale carrier customers. Additionally, the Company generates revenue by selling wireless equipment such as handsets and tablets. In general, access revenue is billed in advance, recorded as deferred revenue on the balance sheet, and recognized as the associated services are provided to the customer. Equipment sales revenue associated with the sale of wireless devices and accessories is generally recognized when the products are delivered to and control transfers to the customer. Consideration received from the customer is allocated to the service and products based on stand-alone selling prices when purchased together.

New and existing wireless customers have the option to participate in Upgrade Now, a program that provides eligible customers with the ability to purchase certain wireless devices in installments over a period of up to 24 months. Participating customers have the right to trade-in the original equipment for a new device after making the equivalent of 12 monthly installment payments, provided their handset is in good working condition. Upon upgrade, the outstanding balance of the wireless equipment installment plan is exchanged for the used handset. The Company accounts for this upgrade option as a right of return with a reduction of Revenue and Operating expense for handsets expected to be upgraded based on historical data.

Data

Data revenue is generated by providing data network access, high-speed internet services, and product sales. Monthly service revenue for data network access and high-speed internet services is billed in advance, recorded as deferred revenue on the balance sheet, and recognized as the associated services are provided to the customer. Internet service excess usage revenue is recognized when the services are provided. The Company recognizes revenue for product sales when a customer takes possession of the equipment. The Company provides telecommunications engineering services on a time and materials basis. Revenue is recognized for these services as-invoiced.

Video

Video revenue is generated primarily from residential and business customers that subscribe to the Company's cable video plans. Video revenue is billed in advance, recorded as deferred revenue on the balance sheet, and recognized as the associated services are provided to the customer.

Voice

Voice revenue is for fixed monthly fees for voice plans as well as usage based fees for long-distance service usage. Voice plan fees are billed in advance, recorded as deferred revenue on the balance sheet, and recognized as the associated services are provided to the customer. Usage based fees are recognized as services are provided.

Arrangements with Multiple Performance Obligations

Contracts with customers may include multiple performance obligations as customers purchase multiple services and products within those contracts. For such arrangements, revenue is allocated to each performance obligation based on the relative standalone selling price for each service or product within the contract. Standalone selling prices are generally determined based on the prices charged to customers.

Significant Judgments

Some contracts with customers include variable consideration, and may require significant judgment to determine the total transaction price, which impacts the amount and timing of revenue recognized. The Company uses historical customer data to estimate the amount of variable consideration included in the total transaction price and reassess its estimate at each reporting period. Any change in the total transaction price due to a change in the estimated variable consideration is allocated to the performance obligations on the same basis as at contract inception. Any portion of a change in transaction price that is

GCI LIBERTY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

allocated to a satisfied or partially satisfied performance obligation is recognized as revenue (or a reduction in revenue) in the period of the transaction price change. Variable consideration has been constrained to reduce the likelihood of a significant revenue reversal.

Often contracts with customers include promises to transfer multiple products and services to a customer. Determining whether products and services are considered distinct performance obligations that should be accounted for separately versus together may require significant judgment.

Judgment is required to determine the standalone selling price for each distinct performance obligation. Services and products are generally sold separately, and help establish standalone selling price for services and products the Company provides.

Remaining Performance Obligations

The Company expects to recognize revenue in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as of December 31, 2019 of \$253.1 million in 2020, \$178.5 million in 2021, \$119.4 million in 2022, \$39.1 million in 2023 and \$61.5 million in 2024 and thereafter.

The Company applies certain practical expedients as permitted under ASC 606 and does not disclose information about remaining performance obligations that have original expected durations of one year or less, information about revenue remaining from usage based performance obligations that are recognized over time as-invoiced, or variable consideration allocated to wholly unsatisfied performance obligations.

Contract Balances

The Company had receivables of \$246.9 million and \$198.8 million at December 31, 2019 and 2018, respectively, the long-term portion of which are included in Other assets, net. The Company had deferred revenue of \$41.0 million and \$31.7 million at December 31, 2019 and 2018, respectively, the long-term portion of which are included in Other liabilities. The receivables and deferred revenue are from contracts with customers and exclude receivables and deferred revenue that are out of the scope of ASC 606. The Company's customers generally pay for services in advance of the performance obligation and therefore these prepayments are recorded as deferred revenue. The deferred revenue is recognized as revenue in the accompanying consolidated statements of operations as the services are provided. Changes in the contract liability balance for the Company during 2019 was not materially impacted by other factors.

Assets Recognized from the Costs to Obtain a Contract with a Customer

Management expects that incremental commission fees paid to intermediaries as a result of obtaining customer contracts are recoverable and therefore the Company capitalizes them as contract costs.

Capitalized commission fees are amortized based on the transfer of goods or services to which the assets relate which typically range from two to five years, and are included in Selling, general, and administrative expenses.

The Company recognizes the incremental costs of obtaining contracts as an expense when incurred if the amortization period of the assets that the Company otherwise would have recognized is one year or less. These costs are included in Selling, general, and administrative expenses.

GCI LIBERTY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

Revenue from contracts with customers, classified by customer type and significant service offerings follows:

	Years ended December 31,	
	2019	2018
	amounts in thousands	
GCI Holdings		
Consumer Revenue		
Wireless	\$ 118,425	94,713
Data	169,332	130,631
Video	83,928	72,826
Voice	16,479	14,792
Business Revenue		
Wireless	76,795	63,481
Data	273,847	223,121
Video	16,170	16,786
Voice	25,740	19,820
Evite	25,071	23,920
Lease, grant, and revenue from subsidies	88,946	79,672
Total	\$ 894,733	739,762

Lease, Grant, and Revenue from Subsidies

Universal Service Fund

GCI Holdings receives support from each of the various Universal Service Fund ("USF") programs: high cost, low income, rural health care, and schools and libraries. The programs are subject to change by regulatory actions taken by the Federal Communications Commission ("FCC") or legislative actions, therefore, changes to the programs could result in a material decrease in revenue that the Company has recorded. Revenue recognized from the programs was 24% and 23% of the Company's revenue for the year ended December 31, 2019 and the period following the date of the Transactions through December 31, 2018, respectively. The Company had USF net receivables of \$151.2 million and \$91.3 million at December 31, 2019 and 2018, respectively. See note 16 for more information regarding the rural health care receivables.

Stock-Based Compensation

As more fully described in note 14, the Company has granted to certain directors, employees and employees of its subsidiaries, restricted shares ("RSAs"), restricted stock units ("RSUs") and options to purchase shares of GCI Liberty's common stock (collectively, "Awards"). The Company measures the cost of employee services received in exchange for an equity classified Award (such as stock options, RSAs and RSUs) based on the grant-date fair value of the Award, and recognizes that cost over the period during which the employee is required to provide service (usually the vesting period of the Award). The Company measures the cost of employee services received in exchange for a liability classified Award based on the current fair value of the Award, and remeasures the fair value of the Award at each reporting date. The Company recognizes forfeitures as they occur.

Stock compensation expense was \$24.9 million, \$28.2 million and \$26.6 million for the years ended December 31, 2019, 2018, and 2017, respectively, included in Selling, general and administrative expense in the accompanying consolidated statements of operations.

Income Taxes

The Company accounts for income taxes using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying value amounts

GCI LIBERTY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

and income tax basis of assets and liabilities and the expected benefits of utilizing net operating loss and tax credit carryforwards. The deferred tax assets and liabilities are calculated using enacted tax rates in effect for each taxing jurisdiction in which the Company operates for the year in which those temporary differences are expected to be recovered or settled. Net deferred tax assets are then reduced by a valuation allowance if the Company believes it is more likely than not such net deferred tax assets will not be realized. The effect on deferred tax assets and liabilities of an enacted change in tax rates is recognized in income in the period that includes the enactment date.

When the tax law requires interest to be paid on an underpayment of income taxes, the Company recognizes interest expense from the first period the interest would begin accruing according to the relevant tax law. Such interest expense is included in Interest expense in the accompanying consolidated statements of operations. Any accrual of penalties related to underpayment of income taxes on uncertain tax positions is included in Other income (expense) in the accompanying consolidated statements of operations.

Earnings per Share (EPS)

Basic earnings (loss) per common share ("EPS") is computed by dividing net earnings (loss) by the weighted average number of common shares outstanding ("WASO") for the period. Diluted EPS presents the dilutive effect on a per share basis of potential common shares as if they had been converted at the beginning of the periods presented. Potentially dilutive shares are excluded from the computation of diluted EPS during periods in which losses are reported since the result would be antidilutive.

The total number of Series A and Series B common shares outstanding on March 9, 2018, 109,004,250, is being used in the calculation of both basic and diluted earnings per share for all periods prior to the date of the HoldCo Split-Off.

Series A and Series B Common Stock

	Year ended December 31, 2019	March 9, 2018 through December 31, 2018
	number of shares in thousands	
Basic WASO	105,328	107,924
Potentially dilutive shares	489	—
Diluted WASO	105,817	107,924
Antidilutive shares excluded from diluted WASO, including potentially dilutive shares, as a result of the Company's net loss attributable to GCI Liberty, Inc. shareholders	—	1,127

Reclassifications

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

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The Company considers (i) non-recurring fair value measurements of non-financial instruments and (ii) accounting for income taxes to be its most significant estimates.

The Company has investments that are accounted for using the equity method. The Company does not control the decision making process or business management practices of these affiliates. Accordingly, the Company relies on management of these affiliates to provide it with accurate financial information prepared in accordance with GAAP that the Company uses in the application of the equity method. In addition, the Company relies on audit reports that are provided by the affiliates'

GCI LIBERTY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

independent auditors on the financial statements of such affiliates. The Company is not aware, however, of any errors in or possible misstatements of the financial information provided by its equity affiliates that would have a material effect on the Company's consolidated financial statements.

New Accounting Pronouncements Not Yet Adopted

In August 2018, the FASB issued new guidance which aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The guidance will be effective for the Company in the first quarter of 2020 with early adoption permitted. The Company is currently assessing the impact that adopting this new accounting standard will have on its consolidated financial statements.

(3) Supplemental Disclosures to Consolidated Statements of Cash Flows

	Years ended December 31,		
	2019	2018	2017
amounts in thousands			
Cash paid for acquisition of GCI Holdings:			
Property and equipment	\$ —	1,211,392	—
Intangible assets not subject to amortization	—	1,538,544	—
Intangible assets subject to amortization	—	468,737	—
Receivables and other assets	—	254,436	—
Liabilities assumed	—	(2,233,177)	—
Deferred tax assets (liabilities)	—	(276,683)	—
Fair value of equity consideration	—	(1,111,206)	—
Cash and restricted cash paid (received) for acquisitions, net of cash acquired	\$ —	(147,957)	—
Cash paid for interest, net of amounts capitalized	\$ 155,977	132,103	6
Non-cash additions for purchases of property and equipment	\$ 1,571	15,916	—

The following table reconciles cash and cash equivalents and restricted cash reported in the Company's consolidated balance sheets to the total amount presented in its consolidated statements of cash flows:

	Years ended December 31,		
	2019	2018	2017
amounts in thousands			
Cash and cash equivalents	\$ 569,520	491,257	573,210
Restricted cash included in other current assets	6,630	775	938
Total cash and cash equivalents and restricted cash at end of period	\$ 576,150	492,032	574,148

(4) Acquisition

The Company accounted for the Transactions contemplated under the reorganization agreement using the acquisition method of accounting. Under this method, HoldCo is the acquirer of GCI Liberty. The acquisition price was \$1.1 billion (level 1). The application of the acquisition method resulted in the assignment of purchase price to the GCI Liberty assets acquired and liabilities assumed based on estimates of their acquisition date fair values (primarily level 3). The assets acquired and liabilities assumed, and as discussed within this note, are those assets and liabilities of GCI Liberty prior to the completion of the Transactions. The determination of the fair values of the acquired assets and liabilities (and the determination of estimated lives of depreciable tangible and identifiable intangible assets) requires significant judgment.

GCI LIBERTY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

The acquisition price allocation for GCI Liberty is as follows (amounts in thousands):

Cash and cash equivalents including restricted cash	\$	147,957
Receivables		171,014
Property and equipment		1,211,392
Goodwill		966,044
Intangible assets not subject to amortization		572,500
Intangible assets subject to amortization		468,737
Other assets		83,422
Deferred revenue		(92,561)
Debt, including capital leases		(1,707,002)
Other liabilities		(251,692)
Deferred income tax liabilities		(276,683)
Preferred stock		(174,922)
Non-controlling interest		(7,000)
	\$	<u>1,111,206</u>

Goodwill is calculated as the excess of the consideration transferred over the identifiable net assets acquired and represents the future economic benefits expected to arise from other intangible assets acquired that do not qualify for separate recognition, including assembled workforce, value associated with future customers, continued innovation and non-contractual relationships. Amortizable intangible assets of \$468.7 million were acquired and are comprised of a tradename with an estimated useful life of approximately 10 years, customer relationships with a weighted average useful life of approximately 16 years and right-to-use assets with a weighted average useful life of 8 years. Approximately \$170.0 million of the acquired goodwill will be deductible for income tax purposes. The determination of the acquisition date fair value of the acquired assets and assumed liabilities is final.

Since the date of the acquisition, included in net earnings (loss) attributable to GCI Liberty shareholders for the year ended December 31, 2018 is \$307.9 million in losses related to GCI Holdings. The unaudited pro forma revenue, net earnings and basic and diluted net earnings per common share of GCI Liberty, prepared utilizing the historical financial statements of HoldCo, giving effect to acquisition accounting related adjustments made at the time of acquisition, as if the acquisition discussed above occurred on January 1, 2017, are as follows:

	Years ended December 31,	
	2018	2017
	amounts in thousands, except per share amounts	
Revenue	\$ 899,210	918,726
Net earnings (loss)	\$ (872,306)	713,377
Net earnings (loss) attributable to GCI Liberty shareholders	\$ (871,839)	713,882
Basic net earnings (loss) attributable to Series A and Series B GCI Liberty, Inc. shareholders per common share	\$ (8.08)	6.55
Diluted net earnings (loss) attributable to Series A and Series B GCI Liberty, Inc. shareholders per common share	\$ (8.08)	6.55

The pro forma results include adjustments directly attributable to the business combination including adjustments related to the amortization of acquired tangible and intangible assets, revenue, interest expense, stock-based compensation, and the exclusion of transaction related costs. The results also include the impact of the FCC's decision to reduce rates paid to the Company under the Rural Health Care Program and the new revenue standard. The pro forma information is not representative of the Company's future results of operations nor does it reflect what the Company's results of operations would have been if the acquisition had occurred previously and the Company consolidated the results of GCI Liberty during the periods presented.

GCI LIBERTY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

(5) Assets and Liabilities Measured at Fair Value

For assets and liabilities required to be reported at fair value, GAAP provides a hierarchy that prioritizes inputs to valuation techniques used to measure fair value into three broad levels. Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs, other than quoted market prices included within Level 1, are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The Company does not have any recurring assets or liabilities measured at fair value that would be considered Level 3.

The Company's assets and liabilities measured at fair value are as follows:

Description	December 31, 2019			December 31, 2018		
	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)
amounts in thousands						
Cash equivalents	\$ 533,484	533,484	—	384,071	384,071	—
Equity securities	\$ 2,600,008	2,600,008	—	1,529,901	1,529,901	—
Investment in Liberty Broadband	\$ 5,367,242	5,367,242	—	3,074,373	3,074,373	—
Derivative instrument liability	\$ 71,305	—	71,305	20,340	—	20,340
Indemnification obligation	\$ 202,086	—	202,086	78,522	—	78,522
Exchangeable senior debentures	\$ 658,839	—	658,839	462,336	—	462,336

On June 6, 2017, Qurate Retail purchased 450,000 LendingTree shares and executed a 2-year variable forward with respect to 642,850 LendingTree shares. The variable forward was executed at the LendingTree closing price on June 6, 2017 of \$170.70 per share and has a floor price of \$128.03 per share and a cap price of \$211.67 per share. The fair value of the variable forward was derived from a Black-Scholes-Merton model using observable market data as the significant inputs. On April 29, 2019, the Company terminated its variable forward and entered into a new 3-year variable forward with respect to 642,850 LendingTree shares. The variable forward was executed at the LendingTree closing price on April 29, 2019 of \$376.35 per share and has a floor price of zero and has a cap price of \$254.00 per share. The fair value of the variable forward was derived from a Black-Scholes-Merton model using observable market data as the significant inputs.

Pursuant to an indemnification agreement, GCI Liberty has agreed to indemnify LI LLC for certain payments made to a holder of LI LLC's 1.75% exchangeable debentures due 2046 (the "1.75% Exchangeable Debentures"). An indemnity obligation in the amount of \$281.3 million was recorded upon completion of the HoldCo Split-Off. In June 2018, Qurate Retail repurchased 417,759 bonds of the 1.75% Exchangeable Debentures for approximately \$457.0 million, including accrued interest, and the Company made a payment under the indemnification agreement to Qurate Retail in the amount of \$132.7 million. The remaining indemnification liability due to LI LLC pertains to the holder's ability to exercise its exchange right according to the terms of the 1.75% Exchangeable Debentures on or before October 5, 2023. Such amount will equal the difference between the exchange value and par value of the 1.75% Exchangeable Debentures at the time the exchange occurs. The indemnification obligation recorded in the consolidated balance sheets as of December 31, 2019 represents the fair value of the estimated exchange feature included in the 1.75% Exchangeable Debentures primarily based on observable market data as significant inputs (Level 2). As of December 31, 2019, a holder of the 1.75% Exchangeable Debentures has the ability to exchange and, accordingly, such indemnification obligation is included as a current liability in the Company's consolidated balance sheets. Additionally, as of December 31, 2019, 332,241 bonds of the 1.75% Exchangeable Debentures remain outstanding.

GCI LIBERTY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

Realized and Unrealized Gains (Losses) on Financial Instruments, net

Realized and unrealized gains (losses) on financial instruments, net are comprised of changes in the fair value of the following:

	Years ended December 31,		
	2019	2018	2017
	amounts in thousands		
Equity securities	\$ 1,074,736	(274,393)	258,629
Investment in Liberty Broadband	2,292,869	(560,413)	473,342
Derivative instruments	(50,965)	75,970	(94,807)
Indemnification obligation	(123,564)	70,007	NA
Exchangeable senior debentures	(190,676)	7,284	NA
	<u>\$ 3,002,400</u>	<u>(681,545)</u>	<u>637,164</u>

The Company has elected to account for its exchangeable debt using the fair value option. Accordingly, a portion of the unrealized gain (loss) recognized on the Company's exchangeable debt is presented in other comprehensive income as it relates to instrument specific credit risk and any other changes in fair value are presented in the accompanying consolidated statements of operations.

(6) Investments in Equity Securities

Investments in equity securities, the majority of which are carried at fair value, are summarized as follows:

	December 31,	
	2019	2018
	amounts in thousands	
Charter (a)	\$ 2,599,253	1,526,984
Other investments (b)	6,040	6,533
	<u>\$ 2,605,293</u>	<u>1,533,517</u>

(a) A portion of the Charter equity securities are considered covered shares and subject to certain contractual restrictions in accordance with the indemnification agreement. See note 5 for additional discussion of the indemnification agreement.

(b) The Company has elected the measurement alternative for a portion of these securities.

(7) Investments in Affiliates Accounted for Using the Equity Method

Investment in LendingTree

The Company has various investments accounted for using the equity method. The following table includes the Company's carrying amount and percentage ownership of the more significant investments in affiliates at December 31, 2019 and the carrying amount at December 31, 2018:

	December 31, 2019			December 31, 2018
	Percentage ownership	Market value	Carrying amount	Carrying amount
	dollars in thousands			
LendingTree (a)	26.5%	\$ 1,045,044	\$ 166,465	174,002
Other	various	NA	1,178	3,028
			<u>\$ 167,643</u>	<u>177,030</u>

(a) Both the Company's ownership interest in LendingTree and the Company's share of LendingTree's earnings (losses) are reported on a three month lag. The market value disclosed is as of December 31, 2019.

GCI LIBERTY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

The Company's share of LendingTree's earnings (losses) was \$(1.6) million, \$21.1 million, and \$7.0 million for the years ended December 31, 2019, 2018, and 2017, respectively.

Investment in Liberty Broadband

On May 18, 2016, Qurate Retail completed a \$2.4 billion investment in Liberty Broadband Series C non-voting shares (for accounting purposes a related party of the Company) in connection with the merger of Charter and Time Warner Cable Inc. ("TWC"). The proceeds of this investment were used by Liberty Broadband to fund, in part, its acquisition of \$5.0 billion of stock in the new public parent company, Charter, of the combined enterprises. Qurate Retail, along with third party investors, all of whom invested on the same terms as Qurate Retail, purchased newly issued shares of Liberty Broadband Series C common stock at a per share price of \$56.23, which was determined based upon the fair value of Liberty Broadband's net assets on a sum-of-the parts basis at the time the investment agreements were executed in May 2015. Qurate Retail, as part of the merger described above, exchanged, in a tax-free transaction, its shares of TWC common stock for shares of Charter Class A common stock, on a one-for-one basis, and Qurate Retail granted to Liberty Broadband a proxy and a right of first refusal with respect to the shares of Charter Class A common stock held by Qurate Retail following the exchange, which proxy and right of first refusal was assigned to GCI Liberty in connection with the completion of the Transactions.

As of December 31, 2019, the Company has a 23.5% economic ownership interest in Liberty Broadband. Due to overlapping boards of directors and management, the Company has been deemed to have significant influence over Liberty Broadband for accounting purposes, even though the Company does not have any voting rights. The Company has elected to apply the fair value option for its investment in Liberty Broadband (Level 1) as it is believed that investors value this investment based on the trading price of Liberty Broadband. The Company recognizes changes in the fair value of its investment in Liberty Broadband in realized and unrealized gains (losses) on financial instruments, net in the consolidated statements of operations. Summarized financial information for Liberty Broadband is as follows:

	December 31,	
	2019	2018
	amounts in thousands	
Current assets	\$ 52,133	84,574
Investment in Charter, accounted for using the equity method	12,194,674	12,004,376
Other assets	9,535	9,487
Total assets	12,256,342	12,098,437
Long-term debt	572,944	522,928
Deferred income tax liabilities	999,757	965,829
Other liabilities	15,695	11,062
Equity	10,667,946	10,598,618
Total liabilities and shareholders' equity	\$ 12,256,342	12,098,437

GCI LIBERTY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

	Years ended December 31,		
	2019	2018	2017
	amounts in thousands		
Revenue	\$ 14,859	22,256	13,092
Operating expenses, net	(44,136)	(34,270)	(38,570)
Operating income (loss)	(29,277)	(12,014)	(25,478)
Share of earnings (losses) of affiliates	286,401	166,146	2,508,991
Gain (loss) on dilution of investment in affiliate	(79,329)	(43,575)	(17,872)
Realized and unrealized gains (losses) on financial instruments, net	1,170	3,659	3,098
Other income (expense), net	(23,807)	(22,339)	(18,139)
Income tax benefit (expense)	(37,942)	(21,924)	(416,933)
Net earnings (loss)	\$ 117,216	69,953	2,033,667

(8) Goodwill and Intangible Assets

Goodwill and Indefinite Lived Assets

Changes in the carrying amount of goodwill are as follows:

	GCI Holdings	Corporate and other	Total
	amounts in thousands		
Balance at January 1, 2018	\$ —	25,569	25,569
Acquisitions	966,044	—	966,044
Impairment	(135,776)	—	(135,776)
Balance at December 31, 2018	\$ 830,268	25,569	855,837
Impairment	—	—	—
Balance at December 31, 2019	\$ 830,268	25,569	855,837

As presented in the accompanying consolidated balance sheets, cable certificates and wireless licenses are the other significant indefinite lived intangible assets.

Intangible Assets Subject to Amortization

	December 31, 2019			December 31, 2018		
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
	amounts in thousands					
Customer relationships	\$ 408,267	(95,167)	313,100	\$ 408,267	(55,417)	352,850
Other amortizable intangibles	139,721	(60,842)	78,879	122,759	(39,603)	83,156
Total	\$ 547,988	(156,009)	391,979	\$ 531,026	(95,020)	436,006

GCI LIBERTY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

Amortization expense for intangible assets with finite useful lives was \$62.1 million and \$53.5 million for the year ended December 31, 2019 and 2018. 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,

2020	\$	53,961
2021	\$	43,720
2022	\$	37,558
2023	\$	34,178
2024	\$	30,490

Impairments

During the year ended December 31, 2019, the Company recorded an impairment loss of \$157.0 million related to its wireless licenses due to increased uncertainty around long-term wireless revenue. The fair value of the wireless licenses was determined using an income approach (Level 3).

Due to unanticipated program revenue changes and certain other market factors impacting GCI Holdings operating results, impairment losses of \$135.8 million and \$65.0 million were recorded during the year ended December 31, 2018 related to goodwill and cable certificates, respectively, related to the GCI Holdings reporting unit. The fair value of the cable certificates and the GCI Holdings reporting unit was determined using an income approach (Level 3).

As of December 31, 2019, the GCI Holdings and Corporate and Other segments have accumulated goodwill impairment losses of \$135.8 million and \$55.7 million, respectively. Based on the quantitative assessments performed during the fourth quarter and the resulting impairment loss recorded, the estimated fair value of the wireless license does not significantly exceed its carrying value as of December 31, 2019.

(9) Debt

Debt is summarized as follows:

	Outstanding principal December 31, 2019	Carrying value	
		December 31, 2019	December 31, 2018
		amounts in thousands	
Margin Loan Facility	\$ 1,300,000	1,300,000	900,000
Exchangeable senior debentures	477,250	658,839	462,336
Senior notes	775,000	796,138	803,287
Senior credit facility	512,666	512,666	715,124
Wells Fargo note payable	7,066	7,066	7,554
Deferred financing costs	—	(8,491)	(2,267)
Total debt	\$ 3,071,982	3,266,218	2,886,034
Debt classified as current, net of deferred financing costs		(3,008)	(900,759)
Total long-term debt		\$ 3,263,210	1,985,275

GCI LIBERTY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

Margin Loan

On December 29, 2017, Broadband Holdco, LLC ("Broadband Holdco"), a wholly owned subsidiary of, at such time, Qurate Retail, and now the Company, entered into a margin loan agreement with various lender parties consisting of a term loan in an aggregate principal amount of \$1.0 billion (the "Margin Loan"). 42,681,842 shares of Liberty Broadband Series C common stock were previously pledged by Broadband Holdco as collateral for the loan. The Margin Loan had a term of two years with an interest rate of LIBOR plus 1.85% and an undrawn commitment fee of up to 1.0% per annum. Deferred financing costs incurred on the Margin Loan are reflected in Long-term debt, net in the consolidated balance sheet. In connection with the completion of the Transactions, Broadband Holdco borrowed the full principal amount of the Margin Loan. A portion of the proceeds of the Margin Loan were used to make a distribution to Qurate Retail of \$1.1 billion to be used within one year for the repurchase of QVC Group stock (now the Qurate Retail common stock) or to pay down certain debt at Qurate Retail, and for the payment of fees and other costs and expenses, in each case, pursuant to the terms of the reorganization agreement. The distributed loan proceeds constituted a portion of the cash reattributed to the QVC Group.

On October 5, 2018 (the "Closing Date"), Broadband Holdco entered into Amendment No. 1 (the "Amendment") to the Margin Loan. Pursuant to the Amendment, lenders under the Margin Loan have agreed to, among other things, provide commitments (the "Revolving Commitments") for a new revolving credit facility in an aggregate principal amount of up to \$200.0 million (the "Revolving Credit Facility" and, the loans thereunder, the "Revolving Loans"). The Revolving Credit Facility established under the Amendment is in addition to the existing term loan credit facility under the Margin Loan (the "Term Loan Facility"). On the Closing Date, Broadband Holdco drew down on the full amount of the commitments under the Revolving Credit Facility and applied all of the proceeds to prepay, on the Closing Date, a portion of the loans outstanding under the Term Loan Facility (the "Term Loan Prepayment"). After giving effect to the initial borrowing of Revolving Loans and Term Loan Prepayment on the Closing Date, \$800.0 million of loans under the Term Loan Facility were outstanding and \$200.0 million of Revolving Loans were outstanding. Subsequent to the Closing Date, the Company repaid \$100.0 million of the Revolving Credit Facility. The Amendment also amended certain covenants in the Margin Loan to permit, among other things, Broadband Holdco to enter into a subordinated revolving note with GCI Liberty and certain additional investments.

On November 25, 2019 (the "Amendment No. 2 Closing Date"), Broadband Holdco entered into Amendment No. 2 to the Margin Loan Agreement ("Amendment No. 2" and, together with the Margin Loan and the Amendment, the "Margin Loan Agreement"). Pursuant to Amendment No. 2, lenders under the Margin Loan have agreed to, among other things, extend the maturity date of the Margin Loan to December 29, 2021 and provide commitments for a new delayed draw term loan facility in an aggregate principal amount of \$300.0 million ("Delayed Draw Term Loan Facility" and, together with the Revolving Credit Facility and the Term Loan Facility, the "Margin Loan Facility" and the loans thereunder, the "Loans"). The Delayed Draw Term Loan Facility is in addition to the existing Term Loan Facility and Revolving Credit Facility. After giving effect to Amendment No. 2 and the Interest True Up (as defined below), on the Amendment No. 2 Closing Date, \$800.0 million of Loans under the Term Loan Facility were outstanding and \$100.0 million of Loans under the Revolving Credit Facility were outstanding. No borrowings under the Delayed Draw Term Loan Facility were made at the closing of Amendment No. 2. On the Amendment No. 2 Closing Date, Broadband Holdco paid (i) all accrued and unpaid interest on the Loans outstanding under the Term Loan Facility and Revolving Credit Facility and (ii) all accrued and unpaid fees with respect to the Margin Loan Agreement (the "Interest True Up"). 42,681,842 shares of Liberty Broadband Series C common stock with a value of \$5.4 billion were pledged by Broadband Holdco as collateral for the loan as of December 31, 2019.

Broadband Holdco is permitted to use the proceeds of the Loans for any purpose not prohibited under the Margin Loan Agreement, including, without limitation, (i) to make dividends and distributions, (ii) for the purchase of margin stock, (iii) to make investments not prohibited under the Margin Loan Agreement, and/or (iv) otherwise for general corporate purposes, including, without limitation, for payment of interest and fees and other costs and expenses.

The Loans will mature on December 29, 2021 (the "maturity date") and accrue interest at a rate equal to the 3-month LIBOR rate plus a per annum spread of .85%, subject to certain conditions and exceptions. Undrawn Revolving Commitments shall be available to Broadband Holdco from the Amendment No. 2 Closing Date to but excluding the earlier of (i) the date that is one month prior to the maturity date and (ii) the date of the termination of such Revolving Commitments pursuant to the terms of the Margin Loan Agreement. The obligations under the Margin Loan Facility, are secured by first priority liens on the shares of Liberty Broadband owned by Broadband Holdco and certain other cash collateral provided by Broadband Holdco. In addition, the Revolving Credit Facility, the Term Loan Facility and the Delayed Draw Term Loan Facility are subject to the same affirmative and negative covenants and events of default.

GCI LIBERTY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

Subsequent to the Amendment No. 2 Closing Date, on December 27, 2019, Broadband Holdco borrowed \$100.0 million under the Revolving Credit Facility and \$300.0 million under the Delayed Draw Term Loan Facility. As of December 31, 2019, \$1,300.0 million in borrowings were outstanding under the Margin Loan Facility.

Exchangeable Senior Debentures

On June 18, 2018, GCI Liberty issued 1.75% exchangeable senior debentures due 2046 ("Exchangeable Senior Debentures"). Upon an exchange of debentures, GCI Liberty, at its option, may deliver Charter Class A common stock, cash or a combination of Charter Class A common stock and cash. Initially, 2,6989 shares of Charter Class A common stock are attributable to each \$1,000 principal amount of debentures, representing an initial exchange price of approximately \$370.52 for each share of Charter Class A common stock. A total of 1,288,051 shares of Charter Class A common stock are attributable to the debentures. Interest is payable quarterly on March 31, June 30, September 30 and December 31 of each year. The debentures may be redeemed by GCI Liberty, in whole or in part, on or after October 5, 2023. Holders of debentures also have the right to require GCI Liberty to purchase their debentures on October 5, 2023. The redemption and purchase price will generally equal 100% of the adjusted principal amount of the debentures plus accrued and unpaid interest.

Senior Notes

On June 6, 2019, GCI, LLC, a wholly-owned subsidiary of the Company, issued \$325.0 million of 6.625% Senior Notes due 2024 at par ("2024 Notes"). The 2024 Notes are unsecured and the net proceeds were used to fund the redemption of \$325.0 million aggregate outstanding principal amount of GCI, LLC's 6.75% Senior Notes due 2021. Interest on the 2024 Notes and GCI, LLC's 6.875% Senior Notes due 2025 (collectively, the "Senior Notes"), is payable semi-annually in arrears. The Senior Notes are redeemable at the Company's option, in whole or in part, at a redemption price defined in the respective indentures, and accrued and unpaid interest (if any) to the date of redemption. The Senior Notes are stated net of an aggregate unamortized premium of \$21.1 million at December 31, 2019. Such premium is being amortized to interest expense in the accompanying consolidated statements of operations.

Senior Credit Facility

On December 27, 2018, GCI, LLC, amended and restated the Fifth Amended and Restated Credit Agreement dated as of March 9, 2018 and refinanced the revolving credit facility and term loan A with a new revolving credit facility, leaving the existing Term Loan B in place (the "Senior Credit Facility"). The Senior Credit Facility provides a \$240.7 million term loan B ("Term Loan B") and a \$550.0 million revolving credit facility.

GCI, LLC's Senior Credit Facility Total Leverage Ratio (as defined in the Senior Credit Facility) may not exceed 6.50 to one and the Secured Leverage Ratio (as defined in the Senior Credit Facility) may not exceed 4.00 to one.

The revolving credit facility borrowings that are LIBOR loans bear interest at a per annum rate equal to the applicable LIBOR plus a margin that varies between 1.50% and 2.75% depending on the total leverage ratio. The full principal revolving credit facility included in the Senior Credit Facility will mature on December 27, 2023 or August 6, 2021 if the Term Loan B is not refinanced or repaid in full prior to such date.

The interest rate for the Term Loan B is LIBOR plus 2.25%. The Term Loan B requires principal payments of 0.25% of the original principal amount on the last day of each calendar quarter with the full amount maturing on February 2, 2022.

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 and the subsidiary guarantors, as defined in the Senior Credit Facility, and on the stock of GCI Holdings.

As of December 31, 2019, there is \$237.7 million outstanding under the Term Loan B, \$275.0 million outstanding under the revolving portion of the Senior Credit Facility and \$8.1 million in letters of credit under the Senior Credit Facility, which leaves \$266.9 million available for borrowing.

GCI LIBERTY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

Wells Fargo Note Payable

GCI Holdings issued a note to Wells Fargo that matures on July 15, 2029 and is payable in monthly installments of principal and interest (the "Wells Fargo Note Payable"). The interest rate is variable at one month LIBOR plus 2.25%.

The note is subject to similar affirmative and negative covenants as the Senior Credit Facility. The obligations under the note are secured by a security interest and lien on the building purchased with the note.

Debt Covenants

GCI, LLC is subject to covenants and restrictions under its Senior Notes and Senior Credit Facility. The Company and GCI, LLC are in compliance with all debt maintenance covenants as of December 31, 2019.

Five Year Maturities

The annual principal maturities of debt, based on stated maturity dates, for each of the next five years is as follows (amounts in thousands):

2020	\$	3,008
2021		1,578,031
2022		233,344
2023		477,871
2024		325,646
2025 and thereafter		454,082
Total debt	\$	3,071,982

Fair Value of Debt

The fair value of the Senior Notes was \$824.8 million at December 31, 2019.

Due to the variable rate nature of the Margin Loan, Senior Credit Facility and Wells Fargo Note Payable, the Company believes that the carrying amount approximates fair value at December 31, 2019.

(10) Leases

In February 2016 and subsequently, the FASB issued new guidance which revises the accounting for leases ("ASC 842"). Under the new guidance, entities that lease assets are required to recognize assets and liabilities on the balance sheet related to the rights and obligations created by those leases regardless of whether they are classified as finance or operating leases. In addition, new disclosures are required to meet the objective of enabling users of the financial statements to better understand the amount, timing, and uncertainty of cash flows arising from leases. The Company adopted this guidance on January 1, 2019 and elected the optional transition method that allowed for a cumulative-effect adjustment in the period of adoption. Results for reporting periods beginning after January 1, 2019 are presented under the new guidance, while prior period amounts were not adjusted and continue to be reported under the accounting standards in effect for those periods.

The Company elected certain of the available transition practical expedients, including those that permit it to not reassess (1) whether any expired or existing contracts are or contain leases, (2) the lease classification for any expired or existing leases, and (3) any initial direct costs for any existing leases as of the effective date. The Company did not elect the hindsight practical expedient, which permits entities to use hindsight in determining the lease term and assessing impairment. The most significant impact of the new guidance was the recognition of right-of-use ("ROU") assets and lease liabilities for operating leases. In addition, the Company elected the practical expedient to account for the lease and non-lease components as a single lease component and will not recognize ROU assets or lease liabilities for short-term leases, which are those leases with a term of twelve months or less at the lease commencement date.

GCI LIBERTY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

The Company recognized \$107.3 million of ROU assets, \$28.0 million of short-term operating lease liabilities and \$79.3 million of long-term operating lease liabilities in the accompanying consolidated balance sheet upon the adoption of the new standard.

In 2016 and 2017, GCI Holdings sold certain tower sites and entered into a master lease agreement in which it leased back space on those tower sites. At the time, GCI Holdings determined that it was precluded from applying sales-leaseback accounting. Upon adoption of ASC 842, GCI Holdings considered whether this transaction would have resulted in a completed sale-leaseback transaction and concluded that the transaction did not meet the criteria and should continue to be accounted for in the same manner as previously determined.

The Company has entered into finance lease agreements with satellite providers for transponder capacity to transmit voice and data traffic in rural Alaska. The Company is also party to finance lease agreements for an office building and certain retail store locations. The Company also leases office space, land for towers and communication facilities, satellite transponders, fiber capacity, and equipment. These leases are classified as operating leases. Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future lease payments using our incremental borrowing rate at the commencement date of the lease. During the twelve months ended December 31, 2019, the Company amended its lease agreement with a satellite provider that resulted in a \$22.5 million reduction to the finance lease liability and a \$16.0 million reduction to fixed assets, resulting in a gain of \$6.5 million that is included in Other, net on the consolidated statements of operations.

The Company has leases with remaining lease terms that range from less than one year up to 31 years. Certain of the Company's leases may include an option to extend the term of the lease with such options to extend ranging from 3 years up to 39 years. The Company also has the option to terminate certain of its leases early with such options to terminate ranging from as early as 30 days up to 18 years from December 31, 2019.

The components of lease cost during the year ended December 31, 2019 were as follows:

	Year ended December 31, 2019	
Operating lease cost (1)	\$	48,481
Finance lease cost		
Depreciation of leased assets	\$	4,997
Interest on lease liabilities		1,196
Total finance lease cost	\$	6,193

(1) Included within operating lease costs were short-term lease costs and variable lease costs, which were not material to the financial statements.

For the year ended December 31, 2018, the Company recorded depreciation expense on finance leases (previously referred to as capital leases) and operating lease expense of \$7.2 million and \$46.7 million, respectively.

The remaining weighted-average lease term and the weighted average discount rate were as follows:

	Year ended December 31, 2019	
Weighted-average remaining lease term (years):		
Finance leases		3.5
Operating leases		4.9
Weighted-average discount rate:		
Finance leases		5.1 %
Operating leases		5.0 %

GCI LIBERTY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

Supplemental balance sheet information related to leases was as follows:

	December 31, 2019	
	amounts in thousands	
Operating leases:		
Operating lease ROU assets, net (1)	\$	123,831
Current operating lease liabilities (2)	\$	39,756
Operating lease liabilities (3)		80,811
Total operating lease liabilities	\$	120,567
Finance Leases:		
Property and equipment, at cost	\$	17,695
Accumulated depreciation		(5,250)
Property and equipment, net	\$	12,445
Current obligations under finance leases (4)	\$	4,640
Obligations under finance leases		7,281
Total finance lease liabilities	\$	11,921

(1) Operating lease ROU assets, net are included within the Other assets, net line item in the accompanying consolidated balance sheets.

(2) Current operating lease liabilities are included within the Other current liabilities line item in the accompanying consolidated balance sheets.

(3) Operating lease liabilities are included within the Other liabilities line item in the accompanying consolidated balance sheets.

(4) Current obligations under finance leases are included within the Other current liabilities line item in the accompanying consolidated balance sheets.

Supplemental cash flow information related to leases was as follows:

	Year ended	
	December 31, 2019	
	amounts in thousands	
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$	46,192
Operating cash flows from finance leases	\$	1,141
Financing cash flows from finance leases	\$	7,717
ROU assets obtained in exchange for lease obligations		
Operating leases	\$	39,515
Finance leases	\$	—

GCI LIBERTY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

Future lease payments under finance leases, operating leases and tower obligations with initial terms of one year or more at December 31, 2019 consisted of the following:

	Finance Leases	Operating Leases	Tower Obligations
	amounts in thousands		
2020	\$ 5,159	45,013	7,797
2021	3,981	35,862	7,953
2022	1,973	22,120	8,112
2023	678	14,855	8,274
2024	688	5,574	8,439
Thereafter	1,046	19,192	134,395
Total lease payments	13,525	142,616	174,970
Less: imputed interest	(1,604)	(22,049)	(83,581)
Total lease liabilities	\$ 11,921	120,567	91,389

(11) Income Taxes

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act makes broad and complex changes to the U.S. tax code, the most significant of which was a reduction to the U.S. federal corporate tax rate from 35 percent to 21 percent. The Company reflected the income tax effects of those aspects of the Tax Act for which the accounting was known as of December 31, 2017 and made immaterial revisions to such amounts during the allowed one year measurement period. As of December 31, 2018, the Company had completed its analysis of the tax effects of the Tax Act.

Holdco was included in the federal combined income tax return of Qurate Retail prior to the HoldCo Split-Off. For periods prior to the HoldCo Split-Off, the tax provision included in these financial statements was prepared on a stand-alone basis, as if the Company was not part of Qurate Retail. Certain HoldCo income tax related balances as of the date of the HoldCo Split-Off were recorded as equity contributions from Qurate Retail in the net amount of \$1.3 billion as shown in the consolidated statement of equity. Subsequent to the HoldCo Split-Off, GCI Liberty's consolidated tax return will include HoldCo. Although the acquisition of GCI Liberty was accounted for as a reverse acquisition under GAAP, the consolidated income tax return of GCI Liberty for 2018 included a full year of GCI Liberty's financials results (including activity prior to the Transactions) and the partial year of financial results of HoldCo for the period subsequent to the HoldCo Split-Off.

Income tax benefit (expense) consists of:

	Years ended December 31,		
	2019	2018	2017
	amounts in thousands		
Current:			
Federal	\$ (30)	607	—
State and local	(23)	(24)	—
	(53)	583	—
Deferred:			
Federal	(542,259)	190,931	160,150
State and local	(187,711)	(8,207)	(26,628)
	(729,970)	182,724	133,522
Income tax benefit (expense)	\$ (730,023)	183,307	133,522

GCI LIBERTY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

Income tax benefit (expense) differs from the amounts computed by applying the U.S. federal income tax rate of 21% for the years ended December 31, 2019 and 2018 and 35% for the year ended December 31, 2017 as a result of the following:

	Years ended December 31,		
	2019	2018	2017
	amounts in thousands		
Computed expected tax benefit (expense)	\$ (560,336)	221,962	(206,862)
State and local income taxes, net of federal income taxes	(158,349)	74,105	(17,001)
Nontaxable equity contribution	(20,353)	7,960	—
Executive compensation	(2,437)	(7,114)	—
Change in state tax rate due to acquisition	—	(117,496)	—
Change in state tax rate	10,078	37,073	—
Change in tax rate due to Tax Act	—	—	347,979
Deductible stock compensation	3,394	(131)	14,116
Goodwill impairment	—	(28,513)	—
Change in valuation allowance affecting tax expense	(40)	(189)	(384)
Other, net	(1,980)	(4,350)	(4,326)
Income tax benefit (expense)	\$ (730,023)	183,307	133,522

For the year ended December 31, 2019, income tax expense in excess of expected federal tax expense is primarily due to state income tax expense.

For the year ended December 31, 2018, the income tax benefit was lower than the U.S. statutory tax rate of 21% primarily due to a change in the effective state tax rate used to measure deferred taxes due to the acquisition as discussed in notes 1 and 4 and a goodwill impairment that is not deductible for tax purposes, partially offset by a change in the state effective tax rate used to measure deferred taxes resulting from a state law change.

For the year ended December 31, 2017, the most significant reconciling item is a net tax benefit for the effect of the change in the U.S. federal corporate tax rate from 35% to 21% on deferred taxes.

GCI LIBERTY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

The tax effects of temporary differences that give rise to significant portions of the deferred income tax assets and deferred income tax liabilities are presented below:

	December 31,	
	2019	2018
	amounts in thousands	
Deferred tax assets:		
Loss and capital carryforwards	\$ 179,473	153,931
Deferred revenue	20,026	23,716
Accrued stock compensation	3,889	3,598
Debt	44,843	6,209
Operating lease liability	33,656	—
Other accrued liabilities	9,578	20,108
Other future deductible amounts	35,489	19,189
Deferred tax assets	<u>326,954</u>	<u>226,751</u>
Valuation allowance	(1,366)	(1,326)
Net deferred tax assets	<u>325,588</u>	<u>225,425</u>
Deferred tax liabilities		
Investments	1,439,140	573,016
Fixed assets	209,094	232,899
Intangible assets	169,834	213,206
Operating lease ROU assets	34,629	—
Deferred tax liabilities	<u>1,852,697</u>	<u>1,019,121</u>
Net deferred tax liabilities	<u>\$ 1,527,109</u>	<u>793,696</u>

During the year ended December 31, 2019, there was an increase in the valuation allowance of \$40,000 all of which affected tax expense.

At December 31, 2019, the Company had federal and state net operating losses and interest expense carryforwards for income tax purposes aggregating approximately \$179.5 million (on a tax effected basis). Of the \$179.5 million, \$63.7 million are carryforwards with no expiration. The future use of the remaining carryforwards of \$115.8 million are subject to limitation and expire at certain future dates. Based on current projections, \$1.4 million of these carryforwards may expire unused and accordingly are subject to a valuation allowance. The carryforwards that are expected to be utilized will begin to expire in 2020.

As of December 31, 2019, the Company had not recorded tax reserves related to unrecognized tax benefits for uncertain tax positions.

As of December 31, 2019, none of GCI's tax years prior to the HoldCo Split-Off are under audit. Qurate Retail's tax years prior to 2016 are closed for federal income tax purposes and the IRS has completed its examination of Qurate Retail's 2016 and 2017 tax years. Qurate Retail's 2018 tax year is being examined currently as part of the IRS's Compliance Assurance Process program. Various states are currently examining Qurate Retail's prior years' state income tax returns.

(12) Stockholders' Equity

Preferred Stock

GCI Liberty Series A Cumulative Redeemable Preferred Stock (the "Preferred Stock") was issued as a result of the auto conversion that occurred on March 8, 2018. The Company is required to redeem all outstanding shares of Preferred Stock out of funds legally available, at the liquidation price plus all unpaid dividends (whether or not declared) accrued from the most recent dividend payment date through the redemption date, on the first business day following the twenty-first anniversary of

GCI LIBERTY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

the March 8, 2018 auto conversion. There were 7,500,000 shares of Preferred Stock authorized and 7,202,917 shares issued and outstanding at December 31, 2019. An additional 42,500,000 shares of preferred stock of the Company are authorized and are undesignated as to series. The Preferred Stock is accounted for as a liability on the Company's consolidated balance sheets because it is mandatorily redeemable. As a result, all dividends paid on the Preferred Stock are recorded as interest expense in the Company's consolidated statements of operations.

The liquidation price is measured per share and shall mean the sum of (i) \$25, plus (ii) an amount equal to all unpaid dividends (whether or not declared) accrued with respect to such share have been added to and then remain part of the liquidation price as of such date.

The holders of shares of Preferred Stock are entitled to receive, when and as declared by the GCI Liberty Board of Directors, out of legally available funds, preferential dividends that accrue and cumulate as provided in the restated GCI Liberty certificate of incorporation.

Dividends on each share of Preferred Stock accrued on a daily basis at an initial rate of 5.00% per annum of the liquidation price, and increased to 7.00% per annum of the liquidation price effective July 16, 2018 as a result of the Reincorporation Merger in the State of Delaware in May 2018.

Accrued dividends are payable quarterly on each dividend payment date, which is January 15, April 15, July 15, and October 15 of each year, commencing on the first such date following the auto conversion, which occurred immediately after the market closed on March 8, 2018. If GCI Liberty fails to pay cash dividends on the Preferred Stock in full for any four consecutive or non-consecutive dividend periods then the dividend rate shall increase by 2.00% per annum of the liquidation price until cured. The Company paid a cash dividend of approximately \$0.44 per share of Preferred Stock on January 15, 2019, a cash dividend of approximately \$0.44 per share of Preferred Stock on April 15, 2019, a cash dividend of approximately \$0.44 per share of Preferred Stock on July 15, 2019, and a cash dividend of approximately \$0.44 per share of Preferred Stock on October 15, 2019. On December 6, 2019, the Company declared a quarterly cash dividend of approximately \$0.44 per share of Preferred Stock which was paid on January 15, 2020 to shareholders of record of the Preferred Stock at the close of business on December 31, 2019.

Common Stock

The Company's Series A common stock and Series B common stock are identical in all respects, except that each share of Series A common stock has one vote per share and each share of Series B common stock has ten votes per share. Each share of Series B common stock outstanding is convertible, at the option of the holder, into one share of Series A common stock.

Purchases of Common Stock

During the years ended December 31, 2019 and 2018, the Company repurchased 1,006,243 shares of Series A common stock for aggregate cash consideration of \$43.9 million and 2,397,710 shares of Series A common stock for aggregate cash consideration of \$111.6 million, respectively.

All of the foregoing shares were repurchased pursuant to a previously announced share repurchase program and have been retired and returned to the status of authorized and available for issuance.

(13) Variable Interest Entities

New Markets Tax Credit Entities

GCI entered into several arrangements under the New Markets Tax Credit ("NMTC") program with US Bancorp to help fund various projects that extended terrestrial broadband service for the first time to rural Northwestern Alaska communities via a high capacity hybrid fiber optic and microwave network. 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.

GCI LIBERTY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

Each of the transactions has an investment fund, which is a special purpose entity created to effect the financing arrangement. In each of the transactions, the Company loaned money to the investment fund and US Bancorp invested money in the investment fund. The investment fund would then contribute the funds from the Company's loan and US Bancorp's investment to a CDE. The CDE, in turn, would loan the funds to the Company's wholly owned subsidiary, Unicom, Inc. ("Unicom") as partial financing for the projects.

US Bancorp 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, were restricted for use on the projects. Restricted cash of \$6.6 million and \$0.8 million was held by Unicom at December 31, 2019 and 2018, respectively, and is included in the Company's consolidated balance sheets. The Company completed construction of the projects partially funded by these transactions.

These transactions include put/call provisions whereby the Company may be obligated or entitled to repurchase US Bancorp's interest in each investment fund for a nominal amount. The Company believes that US Bancorp will exercise the put options at the end of the compliance periods for each of the transactions. The NMTCs are subject to 100% recapture for a period of seven years as provided in the Internal Revenue Code of 1986, as amended. The Company is 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. As of December 31, 2019, the Company has agreed to indemnify US Bancorp for any loss or recapture of NMTCs totaling \$12.5 million until such time as its obligation to deliver tax benefits is relieved. There have been no credit recaptures as of December 31, 2019. The value attributed to the put/calls is nominal.

The Company has determined that each of the investment funds are variable interest entities ("VIEs"). The consolidated financial statements of each of the investment funds include the CDEs. 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 the Company 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 the Company is obligated to absorb losses of the VIEs. The Company concluded that it is the primary beneficiary of each and consolidated the VIEs in accordance with the accounting standard for consolidation.

In September 2018, October 2019 and December 2019, US Bancorp exercised its put option for the NMTC transactions that were entered into in August 2011, October 2012 and December 2012, respectively. The exercise of the put options resulted in the Company obtaining ownership of the investment fund. Upon obtaining ownership of the investment fund, the Company settled the loans and obtained legal ownership of the VIEs associated with those respective NMTC transactions.

The assets and liabilities of the consolidated VIEs were \$32.0 million and \$21.8 million, respectively, as of December 31, 2019 and \$89.0 million and \$63.0 million, respectively, as of December 31, 2018.

The assets of the VIEs serve as the sole source of repayment for the debt issued by these entities. US Bancorp does not have recourse to the Company or its other assets, with the exception of customary representations and indemnities it has provided. The Company is not required and does not currently intend to provide additional financial support to these VIEs. While these subsidiaries are included in its consolidated financial statements, these subsidiaries are separate legal entities and their assets are legally owned by them and not available to the Company's creditors.

The following table summarizes the key terms of each of the NMTC transactions:

Transaction Date	Loan to Investment Fund	Interest Rate on Loan to Investment Fund	Maturity Date	US Bancorp Investment	Loan to Unicom	Interest Rate on Loan(s) to Unicom	Expected Put Option Exercise
March 21, 2017	\$6.7 million	1%	March 21, 2040	\$3.3 million	\$9.8 million	0.7%	March 2024
December 22, 2017	\$10.4 million	1%	December 22, 2047	\$5.1 million	\$14.7 million	0.7% to 1.2%	December 2024
October 2, 2019	\$4.8 million	1%	October 2, 2049	\$2.2 million	\$6.7 million	1.8%	October 2026

GCI LIBERTY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

(14) Stock-Based Compensation

GCI Liberty - Incentive Plan

Pursuant to the GCI Liberty, Inc. 2018 Omnibus Incentive Plan, the Company may grant Awards to be made in respect of a maximum of 8.0 million shares of GCI Liberty common stock. Awards generally vest over 1-5 years and have a term of 7-10 years. GCI Liberty issues new shares upon exercise of equity awards.

GCI Liberty - Grants of Stock Options

During the year ended December 31, 2019, the Company granted to its non-employee directors and its employees 57,000 options to purchase shares of GCI Liberty Series A common stock. Such options had a weighted average grant-date fair value ("GDFV") of \$18.71 per share and cliff vest in one year for non-employee directors and between three and five years for employees. During the year ended December 31, 2018, the Company granted to its non-employee directors 10,000 options to purchase shares of GCI Liberty Series A common stock. Such options had a weighted average GDFV of \$14.09 per share and generally cliff vest in one year. During the year ended December 31, 2017, the Company granted to its non-employee directors and its employees 188,000 options to purchase shares of LVNNTA. Such options had a weighted average GDFV of \$16.52 per share and vest in one year for non-employee directors and between three and five years for employees.

Also during the year ended December 31, 2019 the Company granted 22,000 options to purchase shares of GCI Liberty Series B common stock to the Company's CEO. Such options had a GDFV of \$18.27 per share and cliff vested immediately upon grant. During the years ended December 31, 2018 and 2017, and in connection with the Company's CEO's employment agreement, the Company granted 143,000 and 269,000 options, respectively, to purchase shares of LVNNTB to the Company's CEO. Such options had a GDFV of \$16.55 and \$15.41 per share, respectively, and cliff vested at the end of their respective grant year.

In connection with the Option Exchange (see below), the Company granted 946,000 and 1.1 million options to purchase shares of LVNNTA and LVNNTB, respectively. Such options have an incremental weighted average GDFV of \$8.53 and \$6.94, respectively.

In addition to the stock option grants to the Company's CEO, the Company granted 51,000 performance-based restricted stock units ("RSUs") of GCI Liberty Series B common stock in 2019. The RSUs had a GDFV of \$53.78 per share at the time they were granted and cliff vest one year from the month of grant, subject to the satisfaction of certain performance objectives and based on an amount determined by the compensation committee. Performance objectives, which are subjective, are considered in determining the timing and amount of the compensation expense. The probability of satisfying the performance objectives is assessed at the end of each reporting period.

During the fourth quarter of 2017, prior to the HoldCo Split-Off, Qurate Retail entered into a series of transactions with certain of its officers, associated with certain outstanding stock options, in order to recognize tax deductions in 2017 versus future years (the "Option Exchange"). On December 26, 2017 (the "Grant Date"), pursuant to the approval of the Compensation Committee of its Board of Directors, Qurate Retail effected the acceleration of (i) each unvested in-the-money option to acquire shares of LVNNTA and (ii) each unvested in-the-money option to acquire shares of LVNNTB, in each case, held by certain of its officers (collectively, the "Eligible Optionholders"). Following this acceleration, also on the Grant Date, each Eligible Optionholder exercised, on a net settled basis, all of his outstanding in-the-money vested and unvested options to acquire LVNNTA shares and LVNNTB shares (the "Eligible Options"), and:

- with respect to each vested Eligible Option, Qurate Retail granted the Eligible Optionholder a vested new option with substantially the same terms and conditions as the exercised vested Eligible Option, except that the exercise price for the new option was, in the case of options to acquire shares of LVNNTA, the closing price on the Grant Date per LVNNTA share and, in the case of options to acquire shares of LVNNTB, the fair market value on the Grant Date of the LVNNTB shares as determined pursuant to the incentive plan under which the awards were granted; and
- with respect to each unvested Eligible Option:

GCI LIBERTY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

- in satisfaction of the exercise, on a net settled basis, of the unvested Eligible Options, Qurate Retail granted the Eligible Optionholder a number of restricted LVNTA or LVNTB shares (the "Restricted Shares") with a vesting schedule identical to that of the unvested Eligible Options so exercised, and the Eligible Optionholder made an election under Section 83(b) of the Internal Revenue Code with respect to such Restricted Shares; and
- Qurate Retail granted the Eligible Optionholder a new option (the "Unvested New Option") to acquire the same series of common stock and with substantially the same terms and conditions, including with respect to vesting and expiration, as the unvested Eligible Option exercised as set forth above, except that the number of LVNTA or LVNTB shares subject to such Unvested New Option was equal to the number of shares subject to the unvested Eligible Option minus the number of Restricted Shares received upon exercise of such unvested Eligible Option. The exercise price of such new option was, in the case of a LVNTA option, the closing price on the Grant Date per share of LVNTA, or, in the case of a LVNTB option, the fair market value on the Grant Date of the LVNTB shares as determined pursuant to the incentive plan under which the Unvested New Options were granted.

The Option Exchange was considered a modification under ASC 718 — Stock Compensation, with the following impacts on compensation expense. The unamortized value of the unvested Eligible Options that were exercised, which was \$13.5 million for LVNTA and LVNTB combined, will be expensed over the vesting period of the Restricted Shares attributable to the exercise of those options. The grant of new vested options resulted in incremental compensation expense in the fourth quarter of 2017 of \$9.2 million for LVNTA and LVNTB combined. The grant of Unvested New Options resulted in incremental compensation expense totaling \$6.4 million for LVNTA and LVNTB combined, which will be amortized over the vesting periods of those options.

The Company has calculated the GDFV for all of its equity classified Awards and any subsequent remeasurement of its liability classified Awards using the Black-Scholes-Merton Model. The Company estimates the expected term of the Awards based on historical exercise and forfeiture data. For grants made in 2019, 2018 and 2017, the range of expected terms was 2.0 to 6.4 years. The volatility used in the calculation for Awards is based on the historical volatility of GCI Liberty's stock and the implied volatility of publicly traded GCI Liberty options. For grants made in 2019, 2018 and 2017 the range of volatilities was 24.8% to 31.6%. The Company uses a zero dividend rate and the risk-free rate for Treasury Bonds with a term similar to that of the subject options.

GCI Liberty - Outstanding Awards

The following tables present the number and weighted average exercise price ("WAEP") of Awards to purchase GCI Liberty common stock granted to certain officers, employees and directors of the Company, as well as the weighted average remaining life and aggregate intrinsic value of the Awards.

	Series A			
	Awards (000's)	WAEP	Weighted average remaining life	Aggregate intrinsic value (millions)
Outstanding at January 1, 2019	1,650	\$ 47.61		
Granted	57	\$ 71.09		
Exercised	(1,054)	\$ 47.49		
Forfeited/Cancelled	(49)	\$ 55.65		
Outstanding at December 31, 2019	604	\$ 48.67	4.4 years	\$ 13
Exercisable at December 31, 2019	403	\$ 46.75	4.2 years	\$ 10

GCI LIBERTY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

	Series B			
	Awards (000's)	WAEP	Weighted average remaining life	Aggregate intrinsic value (millions)
Outstanding at January 1, 2019	1,223	\$ 56.10		
Granted	22	\$ 58.11		
Exercised	—	\$ —		
Forfeited/Cancelled	—	\$ —		
Outstanding at December 31, 2019	<u>1,245</u>	\$ 56.14	3.1 years	\$ 22
Exercisable at December 31, 2019	<u>1,245</u>	\$ 56.14	3.1 years	\$ 22

As of December 31, 2019, the total unrecognized compensation cost related to unvested options and RSAs was approximately \$2.5 million and \$18.2 million, respectively. Such amounts will be recognized in the Company's consolidated statements of operations over a weighted average period of approximately 1.6 years and 2.5 years, respectively.

As of December 31, 2019, GCI Liberty reserved for issuance upon exercise of outstanding stock options approximately 600 thousand shares of GCI Liberty Series A common stock and 1.2 million shares of GCI Liberty Series B common stock.

GCI Liberty - Exercises

The aggregate intrinsic value of all options exercised during the years ended December 31, 2019, 2018 and 2017 was \$20.9 million, \$0.8 million and \$71.9 million, respectively. The aggregate intrinsic value of options exercised for the year ended December 31, 2017 includes approximately \$56.3 million related to the intrinsic value of options exercised as a result of the Option Exchange.

GCI Liberty - Restricted Shares

As of December 31, 2019, GCI Liberty had approximately 748,000 and 83,000 unvested RSAs and RSUs of GCI Liberty common stock and preferred stock, respectively, held by certain directors, officers and employees of the Company. These Series A common stock, Series B common stock and Series A Cumulative Redeemable Preferred unvested RSAs, along with the Series A common stock unvested RSUs of GCI Liberty had a weighted average GDFV of \$48.22 per share.

The aggregate fair value of all restricted shares of GCI Liberty common and preferred stock that vested during the years ended December 31, 2019, 2018 and 2017 was \$17.2 million, \$21.9 million and \$2.3 million, respectively.

(15) Employee Benefit Plans

Subsidiaries of the Company sponsor 401(k) plans, which provide their employees an opportunity to make contributions to a trust for investment in GCI Liberty common stock, as well as other mutual funds. The Company's subsidiaries make matching contributions to their plans based on a percentage of the amount contributed by employees. Employer cash contributions to all plans aggregated \$10.6 million, \$11.0 million and \$0.2 million, respectively, for the years ended December 31, 2019, 2018 and 2017, respectively.

(16) Commitments and Contingencies

Guaranteed Service Levels

Certain customers have guaranteed levels of service with varying terms. In the event the Company is unable to provide the minimum service levels, it may incur penalties or issue credits to customers.

GCI LIBERTY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

Litigation, Disputes, and Regulatory Matters

The Company is 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 the Company's financial position, results of operations or liquidity other than as discussed below.

Rural Health Care Program

GCI Holdings receives support from various Universal Service Fund (USF) programs including the USF Rural Health Care ("RHC") Program. The USF programs are subject to change by regulatory actions taken by the FCC, interpretations of or compliance with USF program rules, or legislative actions. Changes to any of the USF programs that GCI Holdings participates in could result in a material decrease in revenue and accounts receivable, which could have an adverse effect on GCI Holdings' business and the Company's financial position, results of operations or liquidity. The following paragraphs describe certain separate matters related to the RHC Program that impact or could impact the revenue earned and receivables recognized by the Company. As of December 31, 2019, the Company had net accounts receivables from the RHC Program in the amount of \$118.8 million, which is included in Other assets, net and \$12.0 million, which is included in Trade and other receivables in the consolidated balance sheets.

In November 2017, the Universal Service Administrative Company ("USAC") requested further information in support of the rural rates charged to a number of GCI Holdings' RHC customers in connection with the funding requests for the year that runs July 1, 2017 through June 30, 2018. On October 10, 2018, GCI Holdings received a letter from the FCC's Wireline Competition Bureau ("Bureau") notifying it of the Bureau's decision to reduce the rural rates charged to RHC customers for the funding year that ended on June 30, 2018 by approximately 26% resulting in a reduction of total support payments of \$27.8 million. The FCC also informed GCI Holdings that the same cost methodology used for the funding year that ended on June 30, 2018 would be applied to rates charged to RHC customers in subsequent funding years. In response to the letter from the Bureau, GCI Holdings filed an Application for Review of the Bureau's decision with the FCC. In the third quarter of 2018, GCI Holdings recorded a \$19.1 million reduction in its receivables balance as part of its acquisition accounting and recorded a reduction in revenue for the funding year that ended on June 30, 2018 of approximately \$8.6 million. GCI Holdings has reduced RHC Program revenue by a similar rate as to the funding year that ended on June 30, 2018, which based on a current run rate would approximate \$7.0 million per quarter through the funding year that ended June 30, 2019 and would approximate \$8 million per quarter through the funding year that will end June 30, 2020 until it can reach a final resolution with the FCC regarding the funding amounts.

On March 15, 2018, USAC announced that the funding requests for the year that runs July 1, 2017 through June 30, 2018 exceeded the funding available for the RHC Program. Since that time, on June 25, 2018, the FCC issued an order resulting in an increase of the annual RHC Program funding cap from \$400.0 million to \$571.0 million and applied it to the funding year that ended on June 30, 2018. The FCC also determined that it would annually adjust the RHC Program funding cap for inflation, beginning with the funding year ending on June 30, 2019 and carry-forward unused funds from past funding years for use in future funding years. As a result, aggregate funding is expected to be available to pay in full the approved funding under the RHC Program for the funding years ended on June 30, 2018 and 2019. On June 10, 2019, the FCC released a public notice noting that the funding cap for the funding year ending on June 30, 2020 is \$594 million, also noting that USAC projects that \$83 million in unused funds will be available for use in the funding year ending on June 30, 2020. On February 14, 2020, USAC informed the FCC that it had identified an additional \$162.7 million of unused funds available for use in future years, and that it had begun issuing commitments fully funding qualified single year requests in the Telecom and Healthcare Connect portions of the RHC Program for the funding year ending on June 30, 2020.

In addition, on March 23, 2018, GCI Holdings received a separate letter of inquiry and request for information from the Enforcement Bureau of the FCC relating to the period beginning January 1, 2015 and including all future periods, to which it is in the process of responding. This includes inquiry into the rates charged by GCI Holdings that are still pending, and presently it is unable to assess the ultimate resolution of this rate inquiry. Other aspects related to the Enforcement Bureau's review of GCI Holdings' compliance with program rules are discussed separately below. The ongoing uncertainty in program funding, as well as the uncertainty associated with the rate review, could have an adverse effect on its business, financial position, results of operations or liquidity.

GCI LIBERTY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

On November 30, 2018, GCI Holdings received multiple funding denial notices from USAC, denying requested funding from the RHC Program operated by a rural health customer (the "Customer") for the funding year that ended on June 30, 2018. In November 2017, USAC requested information from the Customer related to bidding process documentation for two separate service contracts GCI Holdings has with the Customer. Although the Customer timely responded, USAC found that bids previously received were not submitted with the original funding request and/or that bidding information submitted was related to the wrong bidding year. The Customer appealed this decision in early 2019 and on May 6, 2019 USAC denied the Customer's appeal. The Customer then appealed USAC's decision to the Bureau on July 5, 2019. As of March 31, 2019, GCI Holdings had accounts receivable of approximately \$21.3 million outstanding associated with these two service contracts, which is dependent upon receipt of funding from USAC. Given that USAC denied the Customer's appeal as specifically outlined in the May 6, 2019 letter received by the Customer, the Company determined at the time it was probable that GCI Holdings incurred a loss and an accounts receivable reserve was recorded in the amount of \$21.3 million and an associated bad debt expense was recorded during the first quarter of 2019 and included within Selling, general, and administrative expense in the consolidated statements of operations. Additionally, because of the uncertainty of the Customer's future appeals process and uncertainty relating to the Company's ability to recover payment directly from the Customer, the Company no longer believed revenue associated with the two service contracts should be recognized. Historical annual revenue associated with the two service contracts was approximately \$12 million in total and was expected to be the same in future periods. Revenue has not been recognized beyond the first quarter of 2019.

On February 19, 2020, the Bureau issued an FCC order that granted the Customer's appeal for the two service contracts that were originally denied funding by USAC. In the order, the FCC has directed USAC to reverse its previous funding denials. Because the FCC order provides the Company with additional information subsequent to December 31, 2019 about the resolution of a contingency that existed as of year-end, the Company has recognized the impact of the FCC order in its consolidated financial statements. Such impact resulted in the reversal of the previously recorded \$21.3 million accounts receivable reserve and associated bad debt expense included within Selling, general, and administrative expense in the consolidated statements of operations.

The Company also considered whether it should recognize revenue in 2019 related to the two service contracts for the period where it previously had not recognized revenue because of the uncertainty around its ability to collect consideration from the Customer. Because the Company was unable to conclude at any time prior to December 31, 2019 that collection of consideration under the two service contracts was probable, the Company concluded that revenue should not be recognized for any period subsequent to the first quarter of 2019 in accordance with the applicable revenue recognition criteria. The Company will reevaluate the applicable revenue recognition criteria in the first quarter of 2020 to determine whether it can (i) begin recognizing revenue associated with the Customer's two service contracts and (ii) recognize revenue for the period in 2019 when the Company ceased recognizing revenue because of the uncertainty relating to its ability to recover payment directly from the Customer. Although the Company has not recognized revenue beyond the first quarter of 2019 related to the Customer's two service contracts, the Company has continued to provide service to the Customer and such fact will be considered in the revenue recognition analysis in the first quarter of 2020.

On August 20, 2019, the FCC released an order adopting changes to the RHC Program that will revise the manner in which support issued under the RHC Program will be calculated and approved. Some of these changes will become effective beginning with the funding year ending June 30, 2021, while others will apply beginning with the funding year ending June 30, 2022. On October 21, 2019, GCI Holdings appealed the order to the United States Court of Appeals for the District of Columbia Circuit. On December 6, 2019, that appeal was held in abeyance for nine months due to pending Petitions for Reconsideration filed by other parties at the FCC. The proposed methodology for calculating and approving support under these changes relies on information that has not yet been collected and analyzed by USAC, and therefore GCI Holdings cannot assess at this time the substance, impact on funding, or timing of these changes adopted by the FCC.

In the fourth quarter of 2019, the Company became aware of potential RHC Program compliance issues related to certain of GCI Holdings' currently active and expired contracts with certain of its RHC customers. The Company and its external experts performed significant and extensive procedures to determine whether GCI Holdings' currently active and expired contracts with its RHC customers would be deemed to be in compliance with the RHC Program rules. Based on these procedures, the Company accrued a loss of approximately \$17.0 million for contracts that are deemed probable of not complying with the RHC Program rules. The Company recorded the estimated loss as an expense within Selling, general, and administrative in the consolidated statements of operations. The Company also identified certain contracts where additional loss

GCI LIBERTY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

was reasonably possible and such loss could range from zero to \$44.0 million. An accrual was not made for the amount of the reasonably possible loss in accordance with the applicable accounting guidance. GCI Holdings could also be assessed fines and penalties but such amounts could not be reasonably estimated. GCI Holdings has notified the FCC of its potential compliance issues and will continue to work with the FCC to resolve such matters.

(17) Information About the Company's Operating Segments

The Company, through its interests in subsidiaries and other companies, is primarily engaged in the broadband communications services industry. The Company identifies its reportable segments as (A) those consolidated companies that represent 10% or more of its consolidated annual revenue, annual Adjusted OIBDA (as defined below) or total assets and (B) those equity method affiliates whose share of earnings represent 10% or more of the Company's annual pre-tax earnings.

The Company evaluates performance and makes decisions about allocating resources to its operating segments based on financial measures such as revenue, Adjusted OIBDA (as defined below), and subscriber metrics.

For the year ended December 31, 2019 the Company has identified the following subsidiary as a reportable segment:

- GCI Holdings-provides a full range of wireless, data, video, voice, and managed services to residential, businesses, governmental entities, and educational and medical institutions primarily in Alaska.

For presentation purposes the Company is providing financial information for Liberty Broadband. While the Company's equity method investment in Liberty Broadband does not meet the reportable segment threshold defined above, the Company believes that the inclusion of such information is relevant to users of these financial statements.

- Liberty Broadband-an equity method affiliate of the Company, accounted for at fair value, has a non-controlling interest in Charter, and a wholly-owned subsidiary, Skyhook Wireless, Inc. ("Skyhook"). Charter is the second largest cable operator in the United States and a leading broadband communications services company providing video, Internet and voice services. Skyhook provides a Wi-Fi based location platform focused on providing positioning technology and contextual location intelligence solutions.

The Company's operating segments are strategic business units that offer different products and services. They are managed separately because each segment requires different technologies, distribution channels and marketing strategies. The accounting policies of the consolidated subsidiaries included in the segments are the same as those described in the Company's summary of significant accounting policies.

For segment reporting purposes, the Company defines Adjusted OIBDA as revenue less cost of sales, operating expenses, and selling, general and administrative expenses (excluding stock-based compensation). The Company believes this measure is an important indicator of the operational strength and performance of its businesses by identifying those items that are not directly a reflection of each business' performance or indicative of ongoing business trends. In addition, this measure allows management to view operating results and perform analytical comparisons and benchmarking between businesses and identify strategies to improve performance. This measure of performance excludes depreciation and amortization, stock-based compensation, separately reported litigation settlements, insurance proceeds and restructuring and impairment charges that are included in the measurement of operating income pursuant to GAAP. Accordingly, Adjusted OIBDA should be considered in addition to, but not as a substitute for, operating income, net income, cash flow provided by operating activities and other measures of financial performance prepared in accordance with GAAP.

GCI LIBERTY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

Performance Measures

	Years ended December 31,					
	2019		2018		2017	
	Revenue	Adjusted OIBDA	Revenue	Adjusted OIBDA	Revenue	Adjusted OIBDA
	amounts in thousands					
GCI Holdings	\$ 869,662	256,878	715,842	217,832	—	—
Liberty Broadband	14,859	(16,891)	22,256	(3,528)	13,092	(16,416)
Corporate and other	25,071	(21,865)	23,920	(24,731)	23,817	(25,762)
	909,592	218,122	762,018	189,573	36,909	(42,178)
Eliminate Liberty Broadband	(14,859)	16,891	(22,256)	3,528	(13,092)	16,416
	<u>\$ 894,733</u>	<u>235,013</u>	<u>739,762</u>	<u>193,101</u>	<u>23,817</u>	<u>(25,762)</u>

Other Information

	December 31, 2019			December 31, 2018		
	Total assets	Investments in affiliates	Capital expenditures	Total assets	Investments in affiliates	Capital expenditures
		amounts in thousands				
GCI Holdings	\$ 3,162,753	585	147,022	3,343,372	719	131,029
Liberty Broadband	12,256,342	12,194,674	500	12,098,437	12,004,376	41
Corporate and other	8,770,692	167,058	1,459	5,317,450	176,311	3,323
	24,189,787	12,362,317	148,981	20,759,259	12,181,406	134,393
Eliminate Liberty Broadband	(12,256,342)	(12,194,674)	(500)	(12,098,437)	(12,004,376)	(41)
Consolidated	<u>\$ 11,933,445</u>	<u>167,643</u>	<u>148,481</u>	<u>8,660,822</u>	<u>177,030</u>	<u>134,352</u>

The following table provides a reconciliation of Adjusted OIBDA to Operating income (loss) and Earnings (loss) before income taxes:

	Years ended December 31,		
	2019	2018	2017
		amounts in thousands	
Adjusted OIBDA	\$ 235,013	193,101	(25,762)
Stock-based compensation	(24,897)	(28,207)	(26,583)
Depreciation and amortization	(266,333)	(206,946)	(3,252)
Impairment of intangibles and long-lived assets	(167,062)	(207,940)	—
Insurance proceeds and restructuring, net	5,758	—	—
Operating income (loss)	(217,521)	(249,992)	(55,597)
Interest expense	(153,803)	(119,296)	—
Share of earnings (loss) of affiliates, net	(2,629)	25,772	7,001
Realized and unrealized gains (losses) on financial instruments, net	3,002,400	(681,545)	637,164
Tax sharing agreement	26,646	(32,105)	—
Other, net	13,172	205	2,467
Earnings (loss) before income taxes	<u>\$ 2,668,265</u>	<u>(1,056,961)</u>	<u>591,035</u>

GCI LIBERTY, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2019, 2018 and 2017

(18) Quarterly Financial Information (Unaudited)

The following is a summary of unaudited quarterly results of operations for the years ended December 31, 2019 and 2018:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	amounts in thousands, except per share amounts			
2019				
Revenue	\$ 217,736	217,566	227,044	232,387
Operating income (loss)	\$ (32,644)	(16,253)	(4,174)	(164,450)
Net earnings (loss)	\$ 678,486	459,044	89,294	711,418
Net earnings (loss) attributable to GCI Liberty, Inc. shareholders	\$ 678,543	459,044	89,322	711,789
Basic net earnings (loss) attributable to Series A and Series B GCI Liberty, Inc. shareholders per common share	\$ 6.47	4.38	0.85	6.75
Diluted net earnings (loss) attributable to Series A and Series B GCI Liberty, Inc. shareholders per common share	\$ 6.41	4.34	0.84	6.72
2018 (1)				
Revenue	\$ 61,204	233,490	210,146	234,922
Operating income (loss)	\$ (7,369)	(593)	(19,869)	(222,161)
Net earnings (loss)	\$ (170,731)	(303,480)	317,256	(716,699)
Net earnings (loss) attributable to GCI Liberty, Inc. shareholders	\$ (170,692)	(303,326)	317,383	(716,668)
Basic net earnings (loss) attributable to Series A and Series B GCI Liberty, Inc. shareholders per common share	\$ (1.58)	(2.82)	2.95	(6.72)
Diluted net earnings (loss) attributable to Series A and Series B GCI Liberty, Inc. shareholders per common share	\$ (1.58)	(2.82)	2.91	(6.72)

(1) As of March 9, 2018, the Company's financial condition and results of operations include the activities of GCI Holdings, which are further described in notes 1 and 4.

PART III

The following required information is incorporated by reference to the Company's definitive proxy statement for the Company's 2020 Annual Meeting of Stockholders presently scheduled to be held in the second quarter of 2020:

- Item 10. Directors, Executive Officers and Corporate Governance
- Item 11. Executive Compensation
- Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters
- Item 13. Certain Relationships and Related Transactions, and Director Independence
- Item 14. Principal Accounting Fees and Services

The Company expects to file its definitive proxy statement for its 2020 Annual Meeting of Stockholders with the Securities and Exchange Commission on or before April 29, 2020.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a)(1) Financial Statements

Included in Part II of this report:

	<u>Page No.</u>
GCI Liberty, Inc.	
Reports of Independent Registered Public Accounting Firm	II-21 & II-23
Consolidated Balance Sheets, December 31, 2019 and 2018	II-26
Consolidated Statements of Operations, Years ended December 31, 2019, 2018, and 2017	II-28
Consolidated Statements of Comprehensive Earnings (loss), Years ended December 31, 2019, 2018, and 2017	II-29
Consolidated Statements of Cash Flows, Years ended December 31, 2019, 2018, and 2017	II-30
Consolidated Statements of Equity, Years ended December 31, 2019, 2018, and 2017	II-31
Notes to Consolidated Financial Statements, December 31, 2019, 2018, and 2017	II-32

(a)(2) Financial Statement Schedules

(i) All schedules have been omitted because they are not applicable, not material or the required information is set forth in the financial statements or notes thereto.

(ii) The audited consolidated financial statements of Liberty Broadband Corporation as of December 31, 2019 and 2018, and for each of the years ended December 31, 2019, 2018 and 2017, as well as the accompanying notes thereto and the related Report of Independent Registered Public Accounting Firm, are contained in Liberty Broadband Corporation's Annual Report on Form 10-K for the year ended December 31, 2019, filed with the SEC on February 3, 2020 and are incorporated herein by reference as Exhibit 99.1.

(a)(3) 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):

2 - Plan of Acquisition, Reorganization, Arrangement, Liquidation or Succession:

- 2.1 [Agreement and Plan of Reorganization, dated as of April 4, 2017, by and among Liberty Interactive Corporation, Liberty Interactive LLC and General Communication, Inc. \(incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K/A filed on May 1, 2017 \(File No. 000-15279\) \(the "May 1, 2017 8-K"\)\)](#).
- 2.2 [Amendment No. 1 to Reorganization Agreement dated as of July 19, 2017, by and among Liberty Interactive Corporation, Liberty Interactive LLC, and General Communication, Inc. \(incorporated by reference to Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2017 filed on November 2, 2017 \(File No. 000-15279\)\)](#).
- 2.3 [Amendment No. 2 to Reorganization Agreement, dated as of November 8, 2017, by and among Liberty Interactive Corporation, Liberty Interactive LLC and General Communication, Inc. \(incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on November 9, 2017 \(File No. 000-15279\)\)](#).
- 2.4 [Agreement and Plan of Merger, dated as of March 22, 2018, between GCI Liberty, Inc., an Alaska corporation, and GCI Merger Sub, Inc., a Delaware corporation \(incorporated by reference to Annex A to the Registrant's Proxy Statement on Schedule 14A filed on April 12, 2018 \(File No. 001-38385\)\)](#).

3 - Articles of Incorporation and Bylaws:

- 3.1 [Restated Certificate of Incorporation of GCI Liberty, Inc. \(incorporated by reference to Exhibit 3.1 to Amendment No. 1 to the Registrant's Registration Statement on Form 8-A filed on May 10, 2018 \(File No. 001-38385\) \(the "May 2018 8-A/A"\)\)](#).
- 3.2 [Certificate of Merger of GCI Liberty, Inc. with and into GCI Merger Sub, Inc., dated as of May 10, 2018 \(incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on May 16, 2018 \(File No. 001-38385\) \(the "May 2018 8-K"\)\)](#).

- 3.3 [Amended and Restated Bylaws of GCI Liberty, Inc., effective as of May 11, 2018 \(incorporated by reference to Exhibit 3.3 to the May 2018 8-K\).](#)
- 4 - Instruments Defining the Rights of Securities Holders, including Indentures:
- 4.1 [Specimen Certificate for shares of Series A Common Stock of GCI Liberty, Inc. \(incorporated by reference to Exhibit 4.1 to the May 2018 8-A/A\).](#)
- 4.2 [Specimen Certificate for shares of Series B Common Stock of GCI Liberty, Inc. \(incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement on Form S-8 filed on May 14, 2018 \(File No. 333-223668\)\).](#)
- 4.3 [Specimen Certificate for shares of Series A Cumulative Redeemable Preferred Stock of GCI Liberty, Inc. \(incorporated by reference to Exhibit 4.2 to the May 2018 8-A/A\).](#)
- 4.4 [Form of Margin Loan Agreement, dated as of December 29, 2017, by and among Broadband Holdco, LLC, as Borrower, Various Lenders, JPMorgan Chase Bank, N.A., London Branch, as Calculation Agent, and JPMorgan Chase Bank, N.A., London Branch, as Administrative Agent \(incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on March 14, 2018 \(File No. 001-38385\) \(the "March 2018 8-K"\)\).](#)
- 4.5 [Form of Amendment No. 1 to Margin Loan Agreement, dated as of October 5, 2018, by and among Broadband Holdco, LLC, as Borrower, Various Lenders, JPMorgan Chase Bank, N.A., London Branch, as Administration Agent, and JPMorgan Chase Bank, N.A., London Branch, as Calculation Agent \(incorporated by reference to Exhibit 4.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2018 filed on November 8, 2018 \(File No. 001-38385\)\).](#)
- 4.6 [Form of Amendment No. 2 to Margin Loan Agreement and Amendment No. 1 to Collateral Account Control Agreement, dated as of November 25, 2019, by and among Broadband Holdco, LLC, as Borrower, Various Lenders, JPMorgan Chase Bank, N.A., London Branch, as Administrative Agent, and JPMorgan Chase Bank, N.A., London Branch, as Calculation Agent.*](#)
- 4.7 [Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934.*](#)
- 10 - Material Contracts:
- 10.1 [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 Registrant's Schedule 13D dated March 5, 2007 filed on March 12, 2007 \(File No. 005-38452\)\).](#)
- 10.2 [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 Exhibit 10.190 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011 filed on August 9, 2011 \(File No. 000-15279\)\).](#)
- 10.3 [First Amendment to Second Amended and Restated Aircraft Lease Agreement between GCI Communication Corp., an Alaska corporation, and 560 Company, Inc., an Alaska corporation, dated November 30, 2018 \(incorporated by reference to Exhibit 10.4 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2018 filed on February 28, 2019 \(File No. 001-38385\) \(the "2018 10-K"\)\).](#)
- 10.4 [Indenture dated as of April 1, 2015 between GCI, Inc. and MUFG Union Bank, N.A., as trustee \(incorporated by reference to Exhibit 4.1 to GCI, LLC's Current Report on Form 8-K filed on April 6, 2015 \(File No. 000-15279\)\).](#)
- 10.5 [Supplemental Indenture, dated as of April 28, 2017, between GCI, Inc. and MUFG Union Bank, N.A., as Trustee \(6.875% Senior Notes\) \(incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed on May 2, 2017 \(File No. 000-15279\)\).](#)
- 10.6 [Second Supplemental Indenture, dated as of March 8, 2018, between GCI, LLC and MUFG Union Bank, N.A., as Trustee \(6.875% Senior Notes\) \(incorporated by reference to Exhibit 4.4 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018 filed on May 10, 2018 \(File No. 001-38385\) \(the "2018 Q1 10-Q"\)\).](#)
- 10.7+ [General Communication, Inc. Amended and Restated 1986 Stock Option Plan \(incorporated by reference to Exhibit 4.1 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2014 filed on March 5, 2015 \(File No. 000-15279\)\).](#)
- 10.8+ [Amendment, dated November 26, 2018, to the Amended and Restated 1986 Stock Option Plan of GCI Liberty, Inc. \(Restated Effective September 26, 2014\) \(incorporated by reference to Exhibit 10.14 to the 2018 10-K\).](#)
- 10.9 [Tax Sharing Agreement, dated as of March 9, 2018, by and between GCI Liberty, Inc. and Liberty Interactive Corporation \(incorporated by reference to Exhibit 10.1 to the March 2018 8-K\).](#)

- 10.10 [Indemnification Agreement, dated as of March 9, 2018, by and among Liberty Interactive Corporation, GCI Liberty, Inc., Liberty Interactive LLC and LV Bridge, LLC \(incorporated by reference to Exhibit 10.2 to the March 2018 8-K\).](#)
- 10.11+ [Services Agreement, dated as of March 9, 2018, by and between GCI Liberty, Inc. and Liberty Media Corporation \(incorporated by reference to Exhibit 10.3 to the March 2018 8-K\).](#)
- 10.12 [Facilities Sharing Agreement, dated as of March 9, 2018, by and among GCI Liberty, Inc., Liberty Media Corporation and Liberty Property Holdings, Inc. \(incorporated by reference to Exhibit 10.4 to the March 2018 8-K\).](#)
- 10.13 [Aircraft Time Sharing Agreements, dated as of March 9, 2018, by and between GCI Liberty, Inc. and Liberty Media Corporation \(incorporated by reference to Exhibit 10.5 to the March 2018 8-K\).](#)
- 10.14 [Aircraft Time Sharing Agreement, dated as of March 9, 2018, by and among GCI Liberty, Inc., Liberty Citation, Inc. and Liberty Denver Arena LLC \(incorporated by reference to Exhibit 10.6 to the March 2018 8-K\).](#)
- 10.15+ [GCI Liberty, Inc. 2018 Omnibus Incentive Plan \(incorporated by reference to Annex A to the Registrant’s Proxy Statement on Schedule 14A filed on May 22, 2018 \(File No. 001-38385\)\).](#)
- 10.16 [Form of Indemnification Agreement between GCI Liberty, Inc. and its executive officers/directors \(incorporated by reference to Exhibit 10.2 to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2018 filed on August 8, 2018 \(File No. 001-38385\)\).](#)
- 10.17 [Seventh Amendment to Fourth Amended and Restated Credit Agreement dated as of February 27, 2018 \(incorporated by reference to Exhibit 4.2 to the 2018 Q1 10-Q\).](#)
- 10.18 [Amendment Agreement, dated as of December 27, 2018, among GCI, LLC, the subsidiary guarantors party thereto, the lenders party thereto, Credit Agricole Corporate and Investment Bank, as administrative agent, and the other parties thereto \(incorporated by reference to Exhibit 10.24 to the 2018 10-K\).](#)
- 10.19+ [Form of Restricted Stock Units Agreement under the GCI Liberty, Inc. 2018 Omnibus Incentive Plan for Nonemployee Directors \(incorporated by reference to Exhibit 10.25 to the 2018 10-K\).](#)
- 10.20+ [Form of Nonqualified Stock Option Agreement under the GCI Liberty, Inc. 2018 Omnibus Incentive Plan for Nonemployee Directors \(incorporated by reference to Exhibit 10.26 to the 2018 10-K\).](#)
- 10.21+ [Form of Restricted Stock Units Agreement under the GCI Liberty, Inc. 2018 Omnibus Incentive Plan \(incorporated by reference to Exhibit 10.27 to the 2018 10-K\).](#)
- 10.22+ [GCI Liberty, Inc. Transitional Stock Adjustment Plan \(incorporated by reference to Exhibit 99.1 to the Registrant’s Registration Statement on Form S-8 filed on March 15, 2018 \(File No. 333-223667\)\).](#)
- 10.23 [Form of Amended and Restated Indemnification Agreement between GCI Liberty, Inc. and its executive officers/directors \(incorporated by reference to the Registrant’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2019 filed on May 9, 2019 \(File No. 001-38385\) \(the “2019 Q1 10-Q”\)\).](#)
- 10.24+ [Letter Agreement Regarding Personal Use of Aircraft, effective as of January 1, 2019, between General Communication Corp. and Ronald A. Duncan \(incorporated by reference to Exhibit 10.2 to the 2019 Q1 10-Q\).](#)
- 10.25+ [Form of First Amendment to Services Agreement, effective as of December 13, 2019, between Liberty Media Corporation and Qurate Retail, Inc., Liberty Broadband Corporation, GCI Liberty, Inc. and Liberty TripAdvisor Holdings, Inc. *](#)
- 10.26+ [Executive Employment Agreement, dated effective as of December 13, 2019, between Liberty Media Corporation and Gregory B. Maffei \(incorporated by reference to Exhibit 10.1 to Liberty Media Corporation’s Current Report on Form 8-K filed on December 19, 2019 \(File No. 001-35707\)\).](#)
- 10.27+ [Form of Annual Option Award Agreement between GCI Liberty, Inc. and Gregory B. Maffei \(incorporated by reference to Exhibit 10.3 to the Registrant’s Current Report on Form 8-K filed on December 19, 2019 \(File No. 001-38385\) \(the “December 2019 8-K”\)\).](#)
- 10.28+ [Form of Annual Performance-based Restricted Stock Unit Award Agreement between GCI Liberty, Inc. and Gregory B. Maffei under the GCI Liberty, Inc. 2018 Omnibus Incentive Plan \(incorporated by reference to Exhibit 10.4 to the December 2019 8-K\).](#)
- 10.29+ [Form of Upfront Award Agreement between GCI Liberty, Inc. and Gregory B. Maffei under the GCI Liberty, Inc. 2018 Omnibus Incentive Plan \(incorporated by reference to Exhibit 10.5 to the December 2019 8-K\).](#)
- 16 [Letter from Grant Thornton LLP, dated March 14, 2018 \(incorporated by reference to Exhibit 16.1 to the March 2018 8-K\).](#)
- 21 [Subsidiaries of the Registrant *](#)
- 23.1 [Consent of KPMG LLP. *](#)
- 23.2 [Consent of KPMG LLP. *](#)

31.1	Rule 13a-14(a)/15d-14(a) Certification. *
31.2	Rule 13a-14(a)/15d-14(a) Certification. *
32	Section 1350 Certification. **
99.1	Audited consolidated financial statements of Liberty Broadband Corporation as of December 31, 2019 and 2018, and for each of the years ended December 31, 2019, 2018, and 2017 (incorporated by reference to Liberty Broadband Corporation's Annual Report on Form 10-K for the year ended December 31, 2019, file on February 3, 2020 (File No. 001-36713)).
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.*
101.SCH	Inline XBRL Taxonomy Extension Schema Document. *
101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document. *
101.LAB	Inline XBRL Taxonomy Label Linkbase Document. *
101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document. *
101.DEF	Inline XBRL Taxonomy Definition Document. *
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).*

* Filed herewith.

** Furnished herewith.

+ This document has been identified as a management contract or compensatory plan or arrangement.

Item 16. Form 10-K Summary.

Not applicable

FORM OF AMENDMENT NO. 2 TO MARGIN LOAN AGREEMENT AND AMENDMENT NO. 1 TO COLLATERAL ACCOUNT CONTROL AGREEMENT

This **AMENDMENT NO. 2 TO MARGIN LOAN AGREEMENT AND AMENDMENT NO. 1 TO COLLATERAL ACCOUNT CONTROL AGREEMENT** (this “**Agreement**”), dated as of November 25, 2019, is entered into by and among **BROADBAND HOLDCO, LLC**, a Delaware limited liability company (“**Borrower**”), the **LENDERS** (as defined below) party to the Loan Agreement on the date hereof (in their respective capacities as Lenders (as such term is used in the Loan Agreement) and as Secured Parties (as such term is defined in the Control Agreement)), **JPMORGAN CHASE BANK, N.A., LONDON BRANCH**, as administrative agent (in such capacity, together with its successors and assigns in such capacity, “**Administrative Agent**”), **JPMORGAN CHASE BANK, N.A., LONDON BRANCH**, as calculation agent (in such capacity, together with its successors and assigns in such capacity, “**Calculation Agent**”) and, solely for purposes of Sections 2.1(b), 2.1(c), 2.1(f), 2.1(g) and 12 of this Agreement, **U.S. BANK NATIONAL ASSOCIATION**, as securities intermediary and as a bank under the Control Agreement (as defined below) (together with its successors and assigns in such capacities, the “**Securities Intermediary**”).

RECITALS

WHEREAS, Borrower, the lenders from time to time party thereto (the “**Lenders**”), Administrative Agent and Calculation Agent are party to that certain Margin Loan Agreement, dated as of December 29, 2017 (as amended, restated, amended and restated, supplemented or otherwise modified and in effect immediately prior to the effectiveness of this Agreement, the “**Loan Agreement**”);

WHEREAS, Borrower, the Secured Parties (used herein as such term is defined in the Control Agreement (as defined below)) party thereto, Administrative Agent, Calculation Agent and the Securities Intermediary are party to that certain Collateral Account Control Agreement, dated as of December 29, 2017 (as may have been amended, restated, amended and restated, supplemented or otherwise modified and in effect immediately prior to the effectiveness of this Agreement, the “**Control Agreement**”); and

WHEREAS, (1) each of the parties currently party to the Loan Agreement, including Borrower, each of the Lenders, Administrative Agent and Calculation Agent, will make certain amendments to the Loan Agreement as provided in this Agreement (the Loan Agreement, as so amended by this Agreement and as further amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “**Amended Loan Agreement**”) and (2) each of the parties currently party to the Control Agreement, including Borrower, each of the Secured Parties, Administrative Agent, Calculation Agent and Securities Intermediary, will make certain amendments to the Control Agreement as provided in this Agreement (the Control Agreement, as so amended by this Agreement and as further amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “**Amended Control Agreement**”).

NOW, THEREFORE, in consideration of the covenants made hereunder, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Definitions. Except as expressly provided herein, capitalized terms used in this Agreement but not defined in this Agreement shall have the meanings set forth for such terms in the Amended Loan Agreement.

SECTION 2. Amendments to Loan Agreement and Control Agreement.

2.1 Immediately and automatically effective as of the effectiveness of this Agreement pursuant to Section 4 below:

(a) the Loan Agreement is hereby amended by deleting the bold, stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and adding the bold, double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the Loan Agreement as attached as Exhibit A hereto.

(b) Section 2 of Article III of the Control Agreement is hereby amended and restated in its entirety as follows:

Collateral Removal; Distributions and Proceeds; Additional Collateral. (a) Any additions to Collateral will be made in accordance with Section 2.09 of the Loan Agreement, Section 3 of the Security Agreement and clause (b) of this Section 2. Each Secured Party hereby agrees that, (i) subject to the Calculation Agent's determination that the applicable requirements of Section 2.09 of the Loan Agreement have been satisfied, any collateral withdrawals by Pledgor with respect to the Collateral held in any Account shall be effected by Securities Intermediary in accordance with Written Instructions delivered to Securities Intermediary by the Calculation Agent, (ii) Pledgor may, subject to the terms and conditions of Section 17(b) hereof, direct Securities Intermediary to act with respect to Optional Rights by delivery of Written Instructions to Securities Intermediary directing Securities Intermediary to act with respect to such Optional Rights as set forth in such Written Instructions and (iii) each Applicable Secured Party hereby consents to any such withdrawals, additions, exchanges and/or substitutions of Collateral pursuant to the preceding clauses (i) or (ii) and authorizes Securities Intermediary to give effect thereto without further instruction or confirmation from such Applicable Secured Party. Any distributions on the Collateral held in any Account and any proceeds thereof shall be credited to such Account unless otherwise directed by the Calculation Agent.

(b) The parties acknowledge that Pledgor may from time to time elect or be required to deposit additional Collateral to the Accounts in accordance with Section 2.09 or Section 7.04 of the Loan Agreement. Such additional Collateral shall be allocated among the Accounts in accordance with Written Instructions delivered to Securities Intermediary by Pledgor (which Written Instructions shall be given by Pledgor in accordance with Section 3(c) of the Security Agreement, without verification necessary by Securities Intermediary), and each Secured Party hereby consents to such addition of Collateral and authorizes Securities Intermediary to give effect thereto without further instruction or confirmation from any Applicable Secured Party. Upon receipt of such additional Collateral, Securities Intermediary shall deposit such additional Collateral in the Accounts as specified in writing by Pledgor.

(c) Section 14(a) of Article IV of the Control Agreement is hereby amended and restated in its entirety as follows:

(a) Promptly after each purchase or sale of securities held in an Account, (i) in connection with an exercise of remedies in accordance with the Security Agreement, an Authorized Person of the Applicable Secured Party or (ii) in the case of a sale in accordance with Section 2.09 or Section 7.04 of the Loan Agreement, the Calculation Agent shall, in each case, deliver to Securities Intermediary Written Instructions specifying all information necessary for Securities Intermediary to settle such purchase or sale. Securities Intermediary shall account for all purchases and sales of securities in each Account on the actual settlement date.

(d) the Schedules to the Loan Agreement shall be amended by replacing (i) Schedule I attached thereto with Schedule I attached to the Amended Loan Agreement and (ii) Schedule 10.02 attached thereto with Schedule 10.02 attached to the Amended Loan Agreement.

(e) Exhibit N to the Loan Agreement is hereby amended and restated such that Exhibit N to the Amended Loan Agreement is in the form attached as Exhibit B hereto and Exhibit O is hereby added such that Exhibit O to the Amended Loan Agreement is in the form of Exhibit C hereto.

(f) Schedule A to the Control Agreement shall be amended and restated in its entirety as set forth on Exhibit D hereto.

(g) Schedule B to the Control Agreement shall be amended and restated in its entirety as set forth on Exhibit E hereto.

The Exhibits and Schedules to the Loan Agreement (other than as set forth in this Section 2) shall not be modified by this Agreement and shall be Exhibits and Schedules to the Amended Loan Agreement and the Exhibits, Annexes and Schedules to the Control Agreement (other than as set forth in this Section 2) shall not be modified by this Agreement and shall be Exhibits, Annexes and Schedules to the Amended Control Agreement.

SECTION 3. Interest True Up. Notwithstanding anything herein or in the Loan Agreement to the contrary, (i) on the Amendment No. 2 Effective Date, Borrower shall pay directly to each Lender (x) all accrued and unpaid interest with respect to the outstanding Initial Loans and the outstanding Revolving Loans and (y) all accrued and unpaid Revolving Loan Commitment Fees with respect to the Revolving Commitments, in each case outstanding immediately prior to the effectiveness of this Agreement and (ii) the Lenders hereby waive any indemnity claim for LIBOR breakage costs under Section 3.04 of the Loan Agreement in connection with the repayment of interest on the Amendment No. 2 Effective Date as described above. Notwithstanding anything to the contrary contained in the Amended Loan Agreement, the LIBOR in effect for the Loans immediately prior to the effectiveness of this Agreement shall be the LIBOR used in the calculation of interest for the Loans for the remainder of the current Interest Period following the date hereof, until the commencement of the next subsequent Interest Period.

SECTION 4. Conditions to Effectiveness of this Agreement. This Agreement shall become effective when all the conditions set forth in this Section 4 shall have been satisfied or waived by Administrative Agent or Lenders, as applicable (the date such conditions are satisfied being the “**Amendment No. 2 Effective Date**”).

4.1 Administrative Agent shall have executed this Agreement, in its capacity as Administrative Agent, and shall have received counterparts of this Agreement executed by Borrower, each Lender and Calculation Agent.

- 4.2 Administrative Agent shall have received a certificate executed by a Responsible Officer of Borrower certifying that:
- (a) Each of the representations and warranties made by Borrower set forth in Article V of the Amended Loan Agreement (other than, for the avoidance of doubt, Section 5.20 contained therein) and the other Loan Documents shall be true and correct in all material respects (except to the extent such representation or warranty is already qualified by materiality, in which case to that extent it shall be true and correct in all respects) on and as of the date hereof with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties shall be true and correct in all material respects (except to the extent such representations and warranties are already qualified by materiality, in which case to that extent they shall be true and correct in all respects) as of such earlier date); and
 - (b) No Default shall exist as of the Amendment No. 2 Effective Date and immediately after the effectiveness of this Agreement and the transactions contemplated hereby.
- 4.3 Administrative Agent shall have received (x) such documents and certifications as Administrative Agent may reasonably require to evidence that Borrower is duly organized or formed under the Laws of the jurisdiction of its organization and is validly existing, in good standing and qualified to engage in business in its jurisdiction of formation and each other jurisdiction where it is conducting business and (y) resolutions or other evidence of organizational action authorizing the execution, delivery and performance of this Agreement and the Amended Loan Agreement, in each case, and substantially consistent with those delivered on the Closing Date in connection with the entering into of the Loan Documents.
- 4.4 Administrative Agent shall have received customary legal opinions of each of (x) Baker Botts L.L.P., counsel to Borrower and (y) Sidley Austin LLP, counsel to Borrower, in each case, addressed to the Lenders and Agents, as to such matters as the Lenders and Agents may reasonably request with respect to this Agreement.
- 4.5 Borrower shall pay an amendment fee (the “**Amendment Fee**”) directly to each Lender as of the Amendment No. 2 Effective Date in the amount set forth on Schedule 1 hereto. The Amendment Fee is due and payable in full and shall be fully earned on the Amendment No. 2 Effective Date and shall be nonrefundable for any reason whatsoever.
- 4.6 Borrower shall have delivered to each applicable Lender a Form U-1 or Form G-3 or an amendment to a Form U-1 or Form G-3 previously delivered to such Lender under the Amended Loan Agreement, duly executed by a Responsible Officer (unless such Lender has confirmed that it does not require such form).
- 4.7 Borrower shall have paid all reasonable, documented and out-of-pocket fees, charges and disbursements of counsel to the Lenders and Agents to the extent invoiced two (2) Business Days prior to the Amendment No. 2 Effective Date; provided that such amount shall not thereafter preclude a final settling of such amounts between Borrower, such Lenders and Agents; provided, further, that, in each case, in the case of legal fees and expenses, such fees and expenses shall be limited to the reasonable and documented fees, charges and disbursements of a single counsel to Agents and the Lenders, taken as a whole.

SECTION 5. Representations and Warranties of Borrower. By its execution of this Agreement, Borrower hereby represents and warrants to the Lenders, Administrative Agent and Calculation Agent that, as of the Amendment No. 2 Effective Date:

5.1 The execution, delivery and performance by Borrower of this Agreement has been duly authorized by all necessary corporate or other organizational action, and does not and will not (a) contravene the terms of any of its Organizational Documents; (b) result in any breach, or default under, any Contractual Obligation to which it is a party or by which it is bound or affecting the Pledged Shares; (c) result in the creation or imposition of any Transfer Restriction on the Eligible Pledged Shares or Lien on the Collateral (other than the Permissible Transfer Restrictions) under, or require any payment to be made under, any Contractual Obligation; (d) violate any written corporate policy of any Issuer applicable to Borrower or, to Borrower's knowledge, affecting Borrower; (e) violate any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which Borrower is subject; or (f) violate any Law, except, in the case of clauses (b), (d), (e), and (f), where any such breach or violation, either individually or in the aggregate, has not had and could not reasonably be expected to have a Material Adverse Effect.

5.2 No Default exists as of the date hereof.

SECTION 6. Validity of Obligations and Liens: Reaffirmation.

6.1 Validity of Obligations. Borrower hereby ratifies and reaffirms the validity, enforceability and binding nature of the Obligations.

6.2 Validity of Liens and Loan Documents. Borrower hereby ratifies and reaffirms the validity and enforceability (without defense, counterclaim or offset of any kind) of the Liens and security interests granted in the Security Agreement to secure the Obligations and hereby confirms and agrees that notwithstanding the effectiveness of this Agreement, and except as expressly amended by this Agreement, each Loan Document is, and shall continue to be, in full force and effect and each is hereby ratified and confirmed in all respects, except that, on and after the effectiveness of this Agreement, each reference in the Loan Documents to the "Loan Agreement", "thereunder", "thereof" (and each reference in the Loan Agreement to this "Agreement", "hereunder" or "hereof") or words of like import shall mean and be a reference to the Amended Loan Agreement.

SECTION 7. Execution in Counterparts. 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. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 8. Execution of Agreement. This Agreement shall be executed by Borrower, Administrative Agent, Calculation Agent and each of the Lenders. Execution of this Agreement by any Person constitutes the agreement of such Person to the terms of (and results in such Person being bound by) this Agreement and, on the effectiveness of this Agreement, the Amended Loan Agreement.

SECTION 9. Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such

prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Agreement.

SECTION 10. **Integration.** This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. For the avoidance of doubt, this Agreement is a Loan Document.

SECTION 11. **No Discharge.** This Agreement shall not discharge or release the obligations of any Person party to any Loan Document or discharge or release any security under any Loan Document. Nothing herein contained shall be construed as nor is intended to be a substitution or novation of the instruments, documents and agreements securing the Obligations, including but not limited to the Security Agreement and the Control Agreement, each of which shall remain in full force and effect. Nothing in this Agreement shall be construed as nor is intended to be a release or other discharge of Borrower from any of its obligations and liabilities under the Loan Documents, all of which are continued on the terms set forth in the Amended Loan Agreement, the Amended Control Agreement and the other Loan Documents.

SECTION 12. **GOVERNING LAW. THIS AGREEMENT AND ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF, RELATING TO, OR INCIDENTAL TO THIS AGREEMENT, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ANY CONFLICT OF LAWS PRINCIPLES THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.**

SECTION 13. **SUBMISSION TO JURISDICTION; WAIVERS; ETC.**

- 13.1 **SUBMISSION TO JURISDICTION. EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE, COUNTY AND CITY OF NEW YORK, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING SHALL BE HEARD AND DETERMINED IN SUCH STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.**
- 13.2 **WAIVER OF VENUE. EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT IN ANY COURT REFERRED TO IN SECTION 13.1. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE**

DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

- 13.3 **SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 10.02 OF THE AMENDED LOAN AGREEMENT. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.**
- 13.4 **WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY).**

SECTION 14. Headings. Section and subsection headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect.

SECTION 15. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto (to the extent permitted by Section 10.06 of the Amended Loan Agreement).

SECTION 17. Qualified Financial Contract. The parties agree that the terms of Section 1 and Section 2 and the related defined terms (together, the “**Bilateral Terms**”) of the form of bilateral template entitled “Full-Length Omnibus (for use between U.S. G-SIBs and Corporate Groups)” published by ISDA on November 2, 2018 (currently available on the 2018 ISDA U.S. Resolution Stay Protocol page at www.isda.org and a copy of which is available upon request), the effect of which is to amend the qualified financial contracts between the parties thereto to conform with the requirements of the QFC Stay Rules, are hereby incorporated into and form a part of this Agreement and any Loan Document that is a “QFC” (as defined in the Bilateral Terms), and for such purposes this Agreement and such Loan Documents shall each be deemed a “Covered Agreement,” each party that is a Regulated Entity shall be deemed a “Covered Entity” and each party (whether or not it is a Regulated Entity) shall be deemed a “Counterparty Entity” with respect to each other party that is a Regulated Entity. In the event of any inconsistencies between this Agreement, the Amended Loan Agreement or such Loan Documents and the Bilateral Terms, the Bilateral Terms will govern. Terms used in this paragraph without definition shall have the meanings assigned to them under the QFC Stay Rules.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, as of the date first above written.

BROADBAND HOLDCO, LLC, as Borrower

By: GCI, LLC, as sole member and
a manager of BROADBAND HOLDCO, LLC

By: GCI LIBERTY, INC., as sole member and
manager of GCI, LLC

By: _____

Name:

Title:

[Signature Page to Amendment No. 2 to Kodiak Margin Loan Agreement]

JPMORGAN CHASE BANK, N.A., LONDON BRANCH, as Administrative Agent

By: _____

Name:

Title:

JPMORGAN CHASE BANK, N.A., LONDON BRANCH, as Calculation Agent

By: _____

Name:

Title:

JPMORGAN CHASE BANK, N.A., LONDON BRANCH, as a Lender

By: _____

Name:

Title:

[Signature Page to Amendment No. 2 to Kodiak Margin Loan Agreement]

MUFG UNION BANK, N.A., as a Lender

By: _____
Name:
Title:

[Signature Page to Amendment No. 2 to Kodiak Margin Loan Agreement]

DEUTSCHE BANK AG, LONDON BRANCH, as a Lender

By: _____
Name:
Title:

By: _____
Name:
Title:

[Signature Page to Amendment No. 2 to Kodiak Margin Loan Agreement]

CITIBANK, N.A., as a Lender

By: _____
Name:
Title:

[Signature Page to Amendment No. 2 to Kodiak Margin Loan Agreement]

BARCLAYS BANK PLC, as a Lender

By: _____
Name:
Title:

[Signature Page to Amendment No. 2 to Kodiak Margin Loan Agreement]

SOLELY FOR PURPOSES OF SECTIONS 2.1(b), 2.1(c), 2.1(f), 2.1(g) AND 12

U.S. BANK NATIONAL ASSOCIATION, as Securities Intermediary

By: _____

Name:

Title:

[Signature Page to Amendment No. 2 to Kodiak Margin Loan Agreement]

FORM OF MARGIN LOAN AGREEMENT

Dated as of December 29, 2017

as amended by that certain Amendment No. 1 to Margin Loan Agreement, dated as of October 5, 2018,

and

as further amended by that certain Amendment No. 2 to Margin Loan Agreement and Amendment No. 1 to Collateral Account Control Agreement, dated as of November 25, 2019,

by and among

BROADBAND HOLDCO, LLC,
as Borrower

VARIOUS LENDERS,

JPMORGAN CHASE BANK, N.A., LONDON BRANCH,
as Calculation Agent,

and

JPMORGAN CHASE BANK, N.A., LONDON BRANCH,
as Administrative Agent

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS AND ACCOUNTING TERMS 1

- 1.01. Defined
Terms 1
- 1.02. Other Interpretive
Provisions 46
- 1.03. Accounting
Terms 48
- 1.04. Times of
Day 48
- 1.05. Timing of Payment and
Performance. 48
- 1.06. Divisions. 49
- 1.07. Interest Rates; LIBOR
Notification. 49

ARTICLE 49

II THE LOANS

- 2.01. The
Loans 49
- 2.02. Funding of the
Loans 50
- 2.03. Repayment of the
Loans 51
- 2.04. Voluntary
Prepayments 51
- 2.05. Mandatory
Prepayments 52
- 2.06. Interest and
Fees 53
- 2.07. Computations 56
- 2.08. Termination of
Commitments 57
- 2.09. LTV Maintenance; LTV
Notice 57
- 2.10. Evidence of
Debt 66
- 2.11. Payments
Generally 66
- 2.12. Sharing of Payments,
Etc 69
- 2.13. Defaulting
Lender 69
- 2.14. Rebalancing 70
- 2.15. Notice of Additional Debt of Liberty
Broadband. 71

ARTICLE III 71

TAXES, YIELD PROTECTION AND ILLEGALITY

- 3.01. Taxes 71
- 3.02. Illegality 76
- 3.03. Increased Costs;
Reserves 76

- 3.04. Compensation for
Losses 77
- 3.05. Mitigation
Obligations 78

ARTICLE IV 79
CONDITIONS
PRECEDENT
TO THE
LOAN

- 4.01. Conditions Precedent to Closing
Date 79
- 4.02. Conditions Precedent to all
Loans 81

ARTICLE V 83
REPRESENTATIONS
AND WARRANTIES

- 5.01. Existence, Qualification and Power 83
- 5.02. Authorization; No Contravention 83
- 5.03. Binding Effect 83
- 5.04. Financial Statements; No Material Adverse Effect 84
- 5.05. Disclosure 84
- 5.06. Litigation 84
- 5.07. No Default 84
- 5.08. Compliance with Laws 84
- 5.09. Taxes 85
- 5.10. Assets; Liens 85
- 5.11. Governmental Authorization; Other Consents 85
- 5.12. Governmental Regulation 85
- 5.13. ERISA and Related Matters 86
- 5.14. Organization Documents 86
- 5.15. Margin Regulations; Investment Company Act 86
- 5.16. Subsidiaries; Equity Interests 86
- 5.17. Solvency 86
- 5.18. Trading and Other Restrictions 86
- 5.19. USA PATRIOT Act 86
- 5.20. No Material Non-public Information 87
- 5.21. Bulk Sale and Private Sale 87
- 5.22. Status of Shares 87
- 5.23. Special Purpose Entity/Separateness 87
- 5.24. Reporting Obligations 88
- 5.25. Restricted Transactions 88
- 5.26. Anti-Corruption Laws and Sanctions 88

ARTICLE VI 88

AFFIRMATIVE COVENANTS

- 6.01. Financial Statements 88
- 6.02. Certificates; Other Information 88
- 6.03. Notices 89
- 6.04. Preservation of Existence, Etc 90
- 6.05. Special Purpose Entity/Separateness 90
- 6.06. Payment of Taxes and Claims 90

- 6.07. Compliance with Laws and Material
Contracts 90
- 6.08. Books and
Records 91
- 6.09. Use of
Proceeds 91
- 6.10. Purpose
Statement 91
- 6.11. Further
Assurances 91

ARTICLE VII 91
NEGATIVE
COVENANTS

- 7.01. Restricted
Transaction 91
- 7.02. Liens 92
- 7.03. Indebtedness 92

- 7.04. Dispositions 92
- 7.05. Investments 92
- 7.06. Amendments or Waivers of Organization Documents 92
- 7.07. Restricted Payments; Payments on Permitted Affiliate Loans 93
- 7.08. No Impairment of Collateral 93
- 7.09. Fundamental Changes 93
- 7.10. Limitation on Borrower's Activities 93
- 7.11. Status of Shares 94
- 7.12. Investment Company 94
- 7.13. Transactions with Affiliates 94
- 7.14. No Subsidiaries 94
- 7.15. ERISA and Related Matters 94
- 7.16. Regulation of the Board of Governors 94
- 7.17. Certification of Public Information 94
- 7.18. Name, Form and Location 95
- 7.19. Limitation on Certain Sales 95
- 7.20. Anti-Terrorism Laws 95
- 7.21. Dispositions of Shares by Parent 95

ARTICLE 96
VIII
EVENTS
OF
DEFAULT
AND
REMEDIES

- 8.01. Events of Default 96
- 8.02. Remedies upon Event of Default 98
- 8.03. Application of Funds 98
- 8.04. Certain Provisions Related to Applicable Lenders 99

ARTICLE 100
IX
AGENTS

- 9.01. Authorization and Authority 100
- 9.02. Agent Individually 101
- 9.03. Duties of the Agents; Exculpatory Provisions 102
- 9.04. Reliance by Agent 104
- 9.05. Delegation of Duties 104

- 9.06. Resignation of an Agent 104
- 9.07. Non-Reliance on the Agents and Other Lenders 105
- 9.08. Lenders' Rights with Respect to Collateral 106
- 9.09. Withholding Taxes 108
- 9.10. Administrative Agent May File Proofs of Claim 108

ARTICLE X 109

MISCELLANEOUS

- 10.01. Amendments, Etc 109
- 10.02. Notices; Effectiveness; Electronic Communications 111
- 10.03. No Waiver; Cumulative Remedies 113
- 10.04. Expenses; Indemnity; Damage Waiver 113
- 10.05. Payments Set Aside 115

10.06. Successors and Assigns	116
10.07. Confidentiality	119
10.08. Right of Setoff	119
10.09. Interest Rate Limitation	120
10.10. Counterparts; Integration; Effectiveness	120
10.11. Survival of Representations and Warranties	120
10.12. Severability	121
10.13. Governing Law; Jurisdiction; Etc	121
10.14. Waiver of Jury Trial	122
10.15. USA PATRIOT Act Notice	122
10.16. Bankruptcy Code	122
10.17. No Recourse to Affiliates of Borrower	122
10.18. Conflicts	123
10.19. Electronic Execution of Assignments and Certain Other	
10.20. No Advisory or Fiduciary Relationship	124
10.21. Acknowledgment and Consent to Bail-In of EEA Financial	

Documents 123

Institutions 124

SCHEDULES

SCHEDULE I TO MARGIN LOAN AGREEMENT
SCHEDULE 10.02 TO MARGIN LOAN AGREEMENT

EXHIBITS

Form of

- A Collateral Account Control Agreement
- B Note
- C Compliance Certificate
- D Security Agreement
- E Assignment and Assumption
- F Issuer Acknowledgment
- G Solvency Certificate
- H-1 Borrowing Request
- H-2 Voluntary Prepayment Notice
- I-1 U.S. Tax Compliance Certificate
- I-2 U.S. Tax Compliance Certificate
- I-3 U.S. Tax Compliance Certificate
- I-4 U.S. Tax Compliance Certificate
- J PIK Interest Election Notice
- K Collateral Reallocation Instruction
- L Mandatory Prepayment Notice
- M Collateral Shortfall Notice
- N Form of Intercompany Note
- O Form of Permitted Affiliate Investment

FORM OF MARGIN LOAN AGREEMENT

This MARGIN LOAN AGREEMENT (as amended by the First Amendment (as defined below), as further amended by the Second Amendment (as defined below) and as may be further amended, restated, amended and restated, supplemented or otherwise modified from time to time, this “Agreement”), dated as of December 29, 2017, by and among BROADBAND HOLDCO, LLC, a Delaware limited liability company, as the Borrower (the “Borrower”), JPMORGAN CHASE BANK, N.A., LONDON BRANCH, as Calculation Agent (in such capacity, together with its successors and assigns in such capacity, the “Calculation Agent”), JPMORGAN CHASE BANK, N.A., LONDON BRANCH, as Administrative Agent (in such capacity, together with its successors and assigns in such capacity, the “Administrative Agent”) and the Lenders (as defined below) from time to time party hereto.

The Borrower has requested that the Lenders extend credit in the form of (i) Initial Loans (as defined below) in an aggregate principal amount not exceeding the aggregate principal amount of the Initial Loan Commitments (as defined below), (ii) Revolving Loans (as defined below) in an aggregate principal amount not exceeding the aggregate principal amount of the Revolving Commitments (as defined below) and (iii) Delayed Draw Loans (as defined below) in an aggregate principal amount not exceeding the aggregate principal amount of the Delayed Draw Commitments (as defined below) and the Lenders are willing to make such loans on the terms and conditions set forth herein.

On the Amendment No. 2 Effective Date (as defined below), the aggregate principal amount of Loans outstanding was \$900,000,000, including \$800,000,000 of Initial Loans and \$100,000,000 of Revolving Loans.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I DEFINITIONS AND ACCOUNTING TERMS

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

“Activities” has the meaning specified in Section 9.02(b).

“Administrative Agent” has the meaning specified in the introductory paragraph hereto.

“Affiliate” means, with respect to any 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.

“Affiliated Persons” mean, with respect to any specified natural Person, (a) such specified Person’s parents, spouse, siblings, descendants, step children, step grandchildren, nieces and nephews and their respective spouses, (b) the estate, legatees and devisees of such specified Person and each of the Persons referred to in clause (a) and (c) any company, partnership, trust or other entity or investment vehicle Controlled by any of the Persons referred to in clause (a) or (b) or the holdings of which are for the primary benefit of any of such Persons.

“Agent” means each of the Administrative Agent and the Calculation Agent.

“Agent Account” means such account of the Administrative Agent in New York, New York as is designated in writing from time to time by the Administrative Agent to the Borrower and the Lenders for such purpose.

“Agent Parties” has the meaning specified in Section 10.02(e).

“Agented Lender” means any Lender who has taken a Loan hereunder by assignment, but has not yet entered into joinders to the Security Agreement and the Collateral Account Control Agreement with respect to its Ratable Share of the Collateral securing the Obligations. Any reference in the Loan Documents to an Applicable Lender with respect to an Agented Lender shall be to the Applicable Lender who assigned a Loan to such Agented Lender, and vice versa.

“Agent’s Group” has the meaning specified in Section 9.02(b).

“Agreement” has the meaning specified in the introductory paragraph hereto.

“Amendment No. 1 Effective Date” means October 5, 2018.

“Amendment No. 2 Effective Date” means November 25, 2019.

“Anti-Corruption Laws” means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or any of its Subsidiaries from time to time concerning or relating to bribery or corruption, including, without limitation, the United States Foreign Corrupt Practices Act of 1977.

“Anti-Terrorism Laws” has the meaning specified in Section 5.19.

“Applicable Collateral” shall have the meaning assigned to it in the Security Agreement.

“Applicable Lender” means any Lender that has, or purports to have, control (other than a Lender that is an Agented Lender solely as it relates to that portion of the Collateral

for which such Lender is an Agented Lender) over any portion of the Collateral pursuant to the Collateral Account Control Agreement (it being understood that the termination of the Collateral Account Control Agreement (or the termination of the Collateral Account Control Agreement with respect to such Lender's Ratable Share of the Collateral) without the written consent of the relevant Applicable Lender shall not result in such Lender ceasing to be an Applicable Lender).

“Applicable Percentage” means, with respect to any Lender at any time, the percentage (carried out to the ninth decimal place) obtained by dividing (a) the aggregate principal amount of such Lender's Loans outstanding under this Agreement (or, in the event an applicable Loan is not outstanding (but without duplication) and to the extent applicable (i) in the case of Sections 2.06(e) and (g), the aggregate principal amount of such Lender's undrawn Commitments outstanding under this Agreement on the date of determination, (ii) in the case of Section 2.05(c), the aggregate principal amount of such Lender's Revolving Loans outstanding under this Agreement, (iii) in the case of Section 2.06(f) and (h), the aggregate principal amount of such Lender's undrawn Revolving Commitment and/or Delayed Draw Commitments, as applicable, and (iv) in the case of Section 2.11(c), such Lender's aggregate principal amount of Initial Loan Commitments, Revolving Commitments and/or Delayed Draw Commitments, as applicable, outstanding under this Agreement on the date of determination) by (b) the sum of the aggregate principal amount of the Loans outstanding under this Agreement (or, in the event an applicable Loan is not outstanding (but without duplication) and to the extent applicable (w) in the case of Sections 2.06(e) and (g), the aggregate principal amount of the applicable Lenders' undrawn Commitments outstanding under this Agreement on the date of determination, (x) in the case of Section 2.05(c), the aggregate principal amount of the Lenders' Revolving Loans outstanding under this Agreement, (y) in the case of Section 2.06(f) and (h), the aggregate principal amount of the Lenders' undrawn Revolving Commitment and/or Delayed Draw Commitments, as applicable, and (z) in the case of Section 2.11(c), the Lenders' aggregate principal amount of Initial Loan Commitments, Revolving Commitments and/or Delayed Draw Commitments, as applicable, outstanding under this Agreement on the date of determination). Notwithstanding the foregoing, the Applicable Percentage of any Applicable Lender, when used with respect to any determination related to Collateral or payment or proceeds of Collateral, shall include the Applicable Percentage of each Agented Lender that such Applicable Lender holds Collateral for and the Applicable Percentage for such purpose of any Agented Lender with respect to such Collateral or payment or proceeds shall be zero (and if any Agented Lender has multiple Applicable Lenders, such Applicable Percentage shall be allocated proportionately among the Collateral held by such Applicable Lenders).

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

“Assignment and Assumption” means an agreement substantially in the form of Exhibit E.

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

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

“Bail-In Legislation” means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“Bankruptcy Code” means the United States Bankruptcy Code.

“Base Rate” means, for any day, a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus 1/2 of 1%, (b) the Prime Rate and (c) LIBOR plus 1%; provided that, if the Base Rate as otherwise determined pursuant to this definition shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

“Base Rate Loan” means any Loan bearing interest at a rate determined by reference to the Base Rate.

“Base Spread” means 1.85% per annum.

“Beneficial Ownership Regulation” shall mean 31 C.F.R. § 1010.230.

“Borrower” has the meaning specified in the introductory paragraph hereto.

“Borrower Contribution Effective Time” means the effective time of the contribution of the Borrower by Splitco to GCI, LLC, a Delaware limited liability company.

“Borrower Financial Statements” means a statement of assets and liabilities of the Borrower, dated as of the Closing Date, which shall (a) demonstrate that, after giving effect to the transactions to be consummated on the Closing Date and the Funding Date, the Borrower will have no other assets other than Permitted Assets, and (b) contain a list of all Indebtedness, other liabilities and/or commitments of the Borrower that are individually in excess of \$100,000 (other than Indebtedness, other liabilities and/or commitments arising under or evidenced by the Loan Documents), a description of the material terms of each item on such list (including the amount of any liability thereunder, whether contingent, direct or

otherwise, the due date for each such liability, the total unfunded commitment, if any, and the rate of interest, if any, applicable thereto).

“Borrower Materials” has the meaning specified in Section 10.02(f).

“Borrower Sole Member” means (a) prior to the Contribution Effective Time, Liberty Interactive LLC, (b) at the Contribution Effective Time and until the Borrower Contribution Effective Time, Splitco and (c) following the Borrower Contribution Effective Time, GCI, LLC, a Delaware limited liability company, or, in each case, its successor (provided that such successor shall be the Parent or a direct or indirect wholly-owned Subsidiary of the Parent), in its capacity as the sole member and a manager of the Borrower.

“Borrowing” means, individually or collectively, as the context may require, an Initial Loan Borrowing, Revolving Loan Borrowing or a Subsequent Loan Borrowing.

“Borrowing Request” means a request by the Borrower in accordance with the terms of Section 2.02 and substantially in the form of Exhibit H-1, or such other form as shall be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer.

“Business Day” means (i) any day other than a Saturday, Sunday or other day on which commercial banks are required or authorized to close under the Laws of, or are in fact closed, in New York and (ii) additionally, with respect to all notices, determinations, fundings and payments in connection with the Loans (excluding, for the avoidance of doubt, any notices or determinations pursuant to Section 2.09), any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank eurodollar market.

“Calculation Agent” has the meaning specified in the introductory paragraph hereto. All calculations and determinations made by the Calculation Agent shall be made in good faith and in a commercially reasonable manner.

“Cash” means Dollars in immediately available funds.

“Cash Equivalents” means any of the following: (a) readily marketable direct obligations of the government of the United States or any agency or instrumentality thereof that are obligations unconditionally guaranteed by the full faith and credit of the government of the United States and have a maturity of not greater than 12 months from the date of issuance thereof or (b) insured certificates of deposit issued by, or time or demand deposits with, the Custodian (so long as the Custodian is a member of the Federal Reserve System, the Custodian or its parent issues commercial paper rated at least P-1 (or the then equivalent grade) by Moody’s or A-1 (or the then equivalent grade) by S&P, and the long-term, unsecured debt of

the Custodian is rated P-3 or better by Moody's and A-3 or better by S&P), having a remaining maturity of not longer than one year.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any Law, (b) any change in any Law or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of Law) by any Governmental Authority; provided that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) 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.

"Change of Control" means (i) with respect to the Borrower, any event or transaction, or series of related events or transactions, as a result of which the Parent, directly or indirectly, is not the "beneficial owner" of 100% of the Borrower's Equity Interests and (ii) following the Contribution Effective Time, with respect to Splitco, (x) any event or transaction, or series of related events or transactions (whether occurring before or after the Split-Off), as a result of which a "person" or "group" (other than a Permitted Holder) is or becomes the "beneficial owner" of sufficient shares of Splitco to entitle such "person" or "group" to exercise more than 30% of the total voting power of all such shares entitled to vote generally at elections of directors of Splitco (all within the meaning of Section 13(d) of the Exchange Act and the rules promulgated thereunder) and (y) the Permitted Holders do not beneficially own shares of Splitco having a percentage of the voting power of all shares entitled to vote generally in elections of directors of Splitco in excess of such voting power held by such "person" or "group"; provided, however, in no event will the consummation of any of the transactions contemplated by (1) the Reorganization Agreement (excluding the provisions from any amendments, restatements, amendments and restatements, supplements or other modifications to the Reorganization Agreement entered into after the Closing Date modifying the ownership of voting shares or voting power of shares of Splitco following the Contribution Effective Time that adversely affect the Lenders in any material respect), including, without limitation, the Split-Off or (2) the Reincorporation Merger be, in any of such cases, deemed to be a Change of Control.

"Closing Date" means the first date on which all the conditions precedent in Section 4.01 are satisfied or waived by the Lenders in accordance with Section 10.01.

"Code" means the Internal Revenue Code of 1986.

"Collateral" has the meaning specified in the Security Agreement.

"Collateral Account" has the meaning specified in the Security Agreement.

“Collateral Account Control Agreement” means a Collateral Account Control Agreement in substantially the form of Exhibit A, by and among the Borrower, the Applicable Lenders party thereto, the Administrative Agent, the Calculation Agent and the Custodian (as the same may be amended, restated or otherwise modified from time to time and including any successor or replacement agreement).

“Collateral Documents” means the Security Agreement, the Collateral Account Control Agreement and any additional pledge or security agreements required to be delivered or authorized by the Borrower pursuant to the Loan Documents and any other instruments of assignment or other instruments, documents or agreements delivered or authorized by the Borrower pursuant to the foregoing as security for the Obligations.

“Collateral Reallocation Instruction” means an instruction provided by the Calculation Agent to the Custodian in connection with any rebalancing or reallocation of Collateral contemplated in Section 2.14 and substantially in the form of Exhibit K, or such other form as shall be approved by the Calculation Agent, such approval not to be unreasonably withheld.

“Collateral Requirement” means on any date the requirement that:

- (a) the Administrative Agent and each Applicable Lender shall have received counterparts of the Security Agreement duly executed and delivered by the Borrower;
- (b) all documents and instruments, including UCC financing statements, required by Law or reasonably requested by the Administrative Agent or any Applicable Lender to be filed, registered or recorded to create the Liens intended to be created by the Collateral Documents and perfect or record such Liens to the extent, and with the priority, required by the Security Agreement, shall have been filed, registered or recorded or delivered to the Administrative Agent or the relevant Applicable Lender, as applicable, for filing, registration or recording;
- (c) the Borrower shall have obtained all consents and approvals required to be obtained by it in connection with the execution and delivery of all Collateral Documents to which it is a party, the performance of its obligations thereunder and the granting of the Liens granted by it thereunder;
- (d) the Borrower shall have taken all other action required to be taken by the Borrower under the Collateral Documents to perfect, register and/or record the Liens granted by it thereunder; and
- (e) the Borrower shall be in compliance with Section 3 of the Security Agreement.

“Collateral Shortfall” has the meaning specified in Section 2.09(a).

Exhibit M. “Collateral Shortfall Notice” means a notice delivered in accordance with Section 2.09(a) and substantially in the form of

“Collateral Shortfall Notice Day” has the meaning specified in Section 2.09(a)(i).

“Collateral Value” means, as of any date of determination, an amount equal to

(a) the sum
of:

(i) with respect to any Shares (other than Merger Shares or Spin-Off Shares) constituting Eligible Pledged Shares, the product of the applicable Market Reference Price of such Shares for such date and the number of such Shares constituting Eligible Pledged Shares (if any); *plus*

(ii) with respect to any Merger Shares constituting Eligible Pledged Shares, the product of the applicable Market Reference Price of such Merger Shares for such date, the applicable Valuation Percentage and the number of Merger Shares constituting Eligible Pledged Shares (if any); *plus*

(iii) with respect to any Spin-Off Shares constituting Eligible Pledged Shares, the product of the applicable Market Reference Price of such Spin-Off Shares for such date, the applicable Valuation Percentage and the number of Spin-Off Shares constituting Eligible Pledged Shares (if any); *minus*

(b) the amount of any withholding Tax that, in the reasonable determination of the Calculation Agent, would be imposed on a prospective sale of Collateral on behalf of the Borrower upon exercise by a Secured Party of any remedies available to it under the Loan Documents as a result of a Change in Law or change of jurisdiction of any Issuer (provided that commercially reasonable steps were taken to designate another lending office in order to avoid or mitigate such imposition).

“Commitment” means, as to each Lender, the aggregate amount of such Lender’s Initial Loan Commitment, Revolving Commitment and/or Delayed Draw Commitment, as applicable.

“Commitment Fee” has the meaning specified in Section 2.06(e).

“Commitment Fee Rate” has the meaning specified in Section 2.06(e).

“Communication” has the meaning specified in Section 7.17.

“Compliance Certificate” means a certificate substantially in the form of Exhibit C.

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

“Constrictive Amendment” means an amendment to an Issuer’s certificate of incorporation or other organizational documents that includes Transfer Restrictions (whether such Transfer Restrictions would become effective upon the effectiveness of such an amendment or upon the occurrence of some other event or condition) that the Calculation Agent determines in its reasonable discretion would be more restrictive in respect of any Applicable Lender’s ability to foreclose on the Pledged Shares and/or subsequently sell such Pledged Shares and/or otherwise exercise its rights with respect to the Pledged Shares under the Collateral Documents than the then applicable Permissible Transfer Restrictions.

“Contractual Obligation” means, as to any Person, any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

“Contribution Effective Time” means the Contribution Effective Time as defined in the Reorganization Agreement (excluding the provisions from any amendments, restatements, amendments and restatements, supplements or other modifications to the Reorganization Agreement entered into after the Closing Date modifying the definition of Contribution Effective Time that adversely affect the Lenders in any material respect).

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management, investments or policies (including investment policies) of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Controlling Shareholder” means, as of any date of determination, and without duplication, (a) the Borrower, (b) the Parent, (c) John C. Malone or Gregory B. Maffei, (d) any Affiliate of the Borrower, the Parent or John C. Malone or Gregory B. Maffei, that (i) is or may reasonably be considered to be a member of a “group” (as defined in Section 13(d)(3) or Section 13(g)(3) of the Exchange Act and the regulations promulgated thereunder) that includes the Borrower or any Affiliate that Controls the Borrower or the Parent or (ii) files a joint Schedule 13D or 13G under the Exchange Act with the Borrower or the Parent or any Affiliate that Controls the Borrower or the Parent or (e) any other Person (including any Affiliate of the Borrower, the Parent, John C. Malone or Gregory B. Maffei to the extent not included in clause (d) above but excluding a Person that holds securities and other investment property as a custodian for others (but for the avoidance of doubt, any Merger Shares or Spin-Off Shares, as applicable, held by any such custodian for a Controlling Shareholder shall be included for purposes of this clause (e))) that “beneficially owns” within the meaning of Rules 13d-3 or 16a-1(a)(2) of the Exchange Act more than ten percent (10.0%) of the total number of Merger Shares or Spin-Off Shares, as applicable, issued and outstanding as determined by (i) any publicly available information issued by the applicable Issuer or (ii) any publicly available filings with, or order, decree, notice or other release or publication of, any Governmental Authority.

“Custodian” shall have the meaning assigned to it in the Security Agreement.

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

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

“Defaulting Lender” means, subject to Section 2.13(d), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two (2) Business Days of the date such Loans were required to be funded hereunder or (ii) pay to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within two (2) Business Days of the date when due, (b) has notified the Borrower and the Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder or has made a public statement to that effect, (c) has failed, within three (3) Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower) or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) become the subject of a Bail-In Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above, and of the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.13(d)) as of the date established therefor by the Administrative Agent in a written notice of such determination, which shall be delivered by the Administrative Agent to the Borrower and each Lender promptly following such determination.

“Delayed Draw Availability Period” means with respect to Delayed Draw Loans, the period from and including the Amendment No. 2 Effective Date to the earlier of

(x) the date that is the 364th calendar day after the Amendment No. 2 Effective Date and (y) the date of termination of all of the Delayed Draw Commitments.

“Delayed Draw Commitment” means, with respect to each Lender, the commitment, if any, of such Lender to make Delayed Draw Loans hereunder up to the amount set forth on Part B of Schedule I, or in the Assignment and Assumption pursuant to which such Lender assumed its Delayed Draw Commitment, as applicable, as the same may be (a) reduced from time to time or terminated pursuant to this Agreement and (b) increased from time to time pursuant to assignments to such Lender pursuant to Section 10.06. The aggregate amount of the Delayed Draw Commitments on the Amendment No. 2 Effective Date is set forth on Part B of Schedule I.

“Delayed Draw Lender” means a Lender with a Delayed Draw Commitment or a Delayed Draw Loan, unless and until (a) such Person ceases to be a “Lender” hereunder as a result of an assignment pursuant to Section 10.06, (b) all of the Delayed Draw Commitments and Delayed Draw Loans, if any, held by such Person have been assigned pursuant to Section 10.06 or (c) all of the Delayed Draw Commitments, if any, held by any such Person have been terminated and the Obligations relating to such Person’s Delayed Draw Loans (other than contingent obligations with respect to which no claim has been made), if any, owing to such Person have been paid in full; provided, however, that the obligations of such Person as a Lender that the Loan Documents expressly provide survive the termination of the Commitments held by such Person and the payment in full of the Obligations owing to such Person shall survive such termination and payment.

“Delayed Draw Loan” means a Loan made pursuant to the Delayed Draw Commitments to the Borrower pursuant to Section 2.01(d). There are no Delayed Draw Loans outstanding on the Amendment No. 2 Effective Date.

“Delayed Draw Loan Commitment Fee” has the meaning set forth in Section 2.06(h).

“Designated Exchange” means any of The New York Stock Exchange, The NASDAQ Global Select Market, The NASDAQ Global Market, or any successor to any of the foregoing.

“Designated Jurisdiction” means any country or territory to the extent that such country or territory is the subject of any Sanctions.

“Disclosures” has the meaning specified in Section 5.05.

“Disposition” and “Dispose” means (a) the sale, transfer, license, lease, dividend, distribution or other disposition (including any sale and leaseback transaction) of any property by any Person, including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith or any Equity Interests held by such Person and (b) with respect to any Indebtedness owed to a Person by another Person, forgiveness of any such Indebtedness by the Person to

whom such Indebtedness is owed. For the avoidance of doubt, none of the following shall constitute a “Disposition”: (i) any pledge of Shares in connection with any transaction permitted by this Agreement and (ii) any Restricted Transaction.

“Disqualified Person” has the meaning specified in the definition of “Independent Manager”.

“Dollar” and “\$” mean lawful money of the United States.

“DTC” means The Depository Trust Company or any of its successors.

“Early Closure” means the closure on any Exchange Day of the applicable Exchange prior to its scheduled closing time for such day unless such earlier closing time is announced by such Exchange at least one hour prior to the actual closing time for the regular trading session on such Exchange on such Exchange Day, as determined by the Calculation Agent.

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

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

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

“Eligible Assignee” means any Person (other than a natural person, a Defaulting Lender, an Affiliate of a Defaulting Lender or any Person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender or an Affiliate of a Defaulting Lender) that is (a) a Lender; (b) an Affiliate of any Lender, (c) an Approved Fund or (d) a commercial bank, insurance company, investment or mutual fund or other entity that extends credit or makes loans in the ordinary course of its activities, and, in each case, that makes the Purchaser Representations; provided that, notwithstanding the foregoing, “Eligible Assignee” shall not include a Permitted Holder, the Parent, the Borrower, the Borrower Sole Member, any Issuer or any Affiliate of the Parent, the Borrower, the Borrower Sole Member or any Issuer.

“Eligible Cash Collateral” means Cash and Cash Equivalents held in a Collateral Account subject to a valid and perfected First Priority Lien in favor of an Applicable Lender, created under the Collateral Documents.

“Eligible Pledged Shares” means the Pledged Shares (a) held in a Collateral Account subject to a valid and perfected First Priority Lien in favor of an Applicable Lender, created under the Collateral Documents, (b) which are registered in the name of DTC or its nominee, maintained in the form of book-entry on the books of DTC, allowed to be settled through DTC’s regular book-entry settlement services and identified by an unrestricted CUSIP, (c) which are listed for trading on a Designated Exchange and (d) which are not subject to Transfer Restrictions (whether in the hands of the Borrower or any Lender or Agent exercising its rights with respect thereto under the Loan Documents), other than the Permissible Transfer Restrictions. For the avoidance of any doubt, no Initial Pledged Shares that are pledged or deposited in a Collateral Account after the Closing Date shall constitute Eligible Pledged Shares and any Pledged Share terminated or released from any Collateral Account shall cease to constitute an Eligible Pledged Share immediately after such termination or release (except to the extent such termination or release was in accordance with Section 2.14).

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

“ERISA” means the United States Employee Retirement Income Security Act of 1974.

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

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

“Event of Default” means the occurrence of any of the events described in Section 8.01.

“Exchange” means the Designated Exchange on which the applicable Shares are then listed.

“Exchange Act” means the Securities Exchange Act of 1934.

“Exchange Day” means any day an applicable Exchange is open for trading during its regular trading session (it being understood and agreed that any day on which an applicable Exchange is open for trading but is scheduled to close early in connection with a current or pending holiday shall constitute a regular trading session).

“Exchange Disruption” means any event (other than a scheduled early closure of an applicable Exchange on any Exchange Day) that materially disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for, any Shares on such Shares’ applicable Exchange on any Scheduled Trading Day, as determined by the Calculation Agent.

“Exchange Sale” has the meaning specified in Section 2.09(a)(iii).

“Exchange Sale Settlement Deadline” has the meaning specified in Section 2.09(a)(iii).

“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the Laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a Law in effect on the date on which (i) such Lender acquires such interest in the Loans or Commitments (other than pursuant to an assignment request by the Borrower under Section 3.05) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 3.01, amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient’s failure to comply with Section 3.01(g), and (d) any U.S. federal withholding Taxes imposed under FATCA.

“Existing Transfer Restrictions” means Transfer Restrictions under or arising in connection with (a) any lien routinely imposed on all securities by the Exchange as of the Closing Date, (b) the Reorganization Agreement (excluding the provisions from any amendments, restatements, amendments and restatements, supplements or other modifications to the Reorganization Agreement entered into after the Closing Date either (i) creating additional Transfer Restrictions with respect to LBRDK Shares or (ii) modifying any Transfer Restrictions with respect to LBRDK Shares existing under or arising in connection with the Reorganization Agreement (as in effect on the Closing Date), in each case, that adversely affect the Lenders in any material respect (and, for the avoidance of doubt, any transfer restrictions that exist in the Reorganization Agreement, as in effect on the Closing Date, shall be deemed “Existing Transfer Restrictions”), (c) the federal securities laws of the United States (as in effect as of the Closing Date) to the extent that Borrower (or, if applicable, a Lender or the Administrative Agent) is deemed or determined to be an “affiliate” (within the

meaning of Rule 144 (as in effect on the Closing Date)) of any Issuer as of the Funding Date and (d) the Securities Act solely as a result of the Initial Pledged Shares being “restricted securities” within the meaning of Rule 144 (as in effect as of the Closing Date), including any “holding period” restrictions under Rule 144(d), as of the Funding Date.

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

“FCPA” has the meaning specified in Section 5.19.

“Federal Funds Rate” means, for any day, the 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 (a) if such day is not a Business Day, the Federal Funds 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 (b) if no such rate is published on such next succeeding Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three (3) federal funds brokers of recognized standing selected by it.

“First Amendment” means that certain Amendment No. 1 to Margin Loan Agreement, dated as of October 5, 2018, by and among the Borrower, the Lenders party thereto, the Calculation Agent and the Administrative Agent.

“First Priority” means, with respect to any Lien purported to be created in any Collateral pursuant to any Collateral Document, that such Lien is the only Lien to which such Collateral is subject other than Permitted Liens.

“Floating Rate” means, with respect to an Interest Period, a per annum rate equal to the applicable LIBOR plus the Base Spread (or, if the Loans have been converted to Base Rate Loans pursuant to clause (i) of Section 3.02, the Base Rate applicable to each day during such period plus the Base Spread less 1%).

“Foreign Lender” means any Lender that is not a U.S. Person.

“Form G-3” means the “Statement of Purpose for an Extension of Credit Secured by Margin Stock by a Person Subject to Registration Under Regulation U– FR G-3” form published by the FRB.

“Form U-1” means the “Statement of Purpose for an Extension of Credit Secured by Margin Stock – FR U-1” form published by the FRB.

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

“Free Float” means, as of any date of determination, the quotient, expressed as a percentage, obtained by dividing (a) the total number of Free Shares issued and outstanding by (b) the total number of Merger Shares or Spin-Off Shares, as applicable, issued and outstanding as determined by the applicable Issuer’s most recent filings with the SEC.

“Free Shares” means, as of any date of determination, and without duplication, a number of Merger Shares or Spin-Off Shares, as applicable, equal to (i) the total number of Merger Shares or Spin-Off Shares, as applicable, then issued and outstanding as determined by the applicable Issuer’s most recent filings with the SEC *minus* (ii) the total number of Merger Shares or Spin-Off Shares, as applicable, “beneficially owned” within the meaning of Rules 13d-3 or 16a-1(a)(2) of the Exchange Act by Controlling Shareholders as determined by the applicable Issuer’s or such Controlling Shareholder’s most recent filings with the SEC, to the extent such information is reported in such filings. For purposes of clause (ii), with respect to a Long Position of a Controlling Shareholder, the total number of Merger Shares or Spin-Off Shares, as applicable, underlying such Long Position shall be used.

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

“Funding Date” has the meaning specified in Section 2.02(c); provided that (i) such date shall be on or after the later to occur of (x) the Contribution Effective Time and (y) the Closing Date, and (ii) in no event shall the Funding Date be later than the Initial Loan Commitment Termination Date.

“GAAP” means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

“GCI Liberty (Alaska)” means General Communication, Inc., an Alaska corporation, to be renamed GCI Liberty, Inc.

“GCI Merger Sub” means GCI Merger Sub, Inc., a Delaware corporation, to be renamed GCI Liberty, Inc.

“Governmental Authority” means, with respect to any Person, the government of the United States or any other nation, or of any political subdivision thereof, whether state

or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supranational bodies such as the European Union or the European Central Bank) having jurisdiction or authority over such Person.

“Guarantee” means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of such Person, directly or indirectly, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part); provided that the term “Guarantee” shall not include any endorsement of an instrument for deposit or collection in the ordinary course of business, or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness or such other obligation to obtain any such Lien). The amount of the Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term “Guarantee” as a verb has a corresponding meaning

“IBA” has the meaning specified in Section 1.07.

“Impacted Interest Period” has the meaning specified in the definition of “LIBOR”.

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

(a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;

(b) all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers’ acceptances, bank guaranties, surety bonds and similar instruments;

(c) net payment obligations of such Person under any Swap Contract;

(d) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business and, in each case, not past due for more than thirty (30) days after the date on which such trade account payable was created);

(e) indebtedness secured by a Lien on property owned or purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(f) all obligations 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, and Synthetic Lease Obligations to which such Person is a party or it or its assets are subject;

(g) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Equity Interest in such Person or any other Person, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends; and

(h) all Guarantees of such Person in respect of Indebtedness of any other Person.

For all purposes hereof the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date. The amount of Indebtedness under clause (f) as of any date shall be deemed to be the amount of Attributable Debt in respect thereof as of such date.

For the avoidance of doubt, any obligation to pay (x) reasonable fees and expenses related to the ownership, administration, management and Disposition of Permitted Assets and/or Permitted Liabilities (including reasonable Independent Manager fees), in each case incurred in the ordinary course of business or required pursuant to the terms of the Loan Documents, and (y) any other accrued expenses incurred in the ordinary course of business in an aggregate amount not to exceed \$200,000 shall not, in the case of either clause (x) or clause (y), constitute Indebtedness.

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Documents and (b) to the extent not otherwise described in clause (a), Other Taxes.

“Indemnitee” has the meaning specified in Section 10.04(b).

“Independent Manager” means an individual who has prior experience as an independent director, independent manager or independent member with at least three (3) years of employment experience (who may be provided by CT Corporation, Corporation Service Company, National Registered Agents, Inc., Wilmington Trust Corporation, Lord Securities Corporation or another nationally recognized company that is not an Affiliate of the Borrower, the Parent, any Permitted Holder or any Issuer and that provides independent managers and other corporate services in the ordinary course of its business) and which individual:

(a) is duly appointed as an “independent manager” pursuant to Section 18-101(10) of the Delaware Limited Liability Company Act entitled to all the rights and privileges of such a manager on all Independent Manager Matters and is not, and has never been, and will not while serving as Independent Manager be, any of the following (other than in his or her capacity as an Independent Manager of the Borrower): (i) a Related Party of the Borrower, any Permitted Holder, Splitco or any Issuer, (ii) a Permitted Holder, or (iii) a creditor of the Borrower or a supplier (including a provider of professional services to the Borrower) to the Borrower (any of the foregoing, a “Disqualified Person”);

(b) to the fullest extent permitted by Law, including Section 18-1101(c) of the Delaware Limited Liability Company Act, shall consider only the interests of the Borrower, including its respective creditors (and not the Borrower’s Affiliates), in acting or otherwise voting on Independent Manager Matters;

(c) is under no fiduciary duty to any Disqualified Person; and

(d) has been disclosed to the Lenders (together with a brief description of such Person’s prior professional activities and other information as the Administrative Agent shall reasonably request) prior to the effectiveness of such Person’s appointment.

“Independent Manager Matters” means any act (a) instituting or consenting to the institution of any proceeding with respect to the Borrower under any Debtor Relief Law, (b) making a general assignment for the benefit of creditors with respect to the Borrower or (c) applying for or consenting to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator, ad hoc manager or similar officer for the Borrower or for all or any material part of the Borrower’s property.

“Information” has the meaning specified in Section 10.07.

“Initial Loan” means a Loan made by a Lender to the Borrower pursuant to Section 2.01 on the Funding Date. The aggregate principal amount of Initial Loans outstanding on the Amendment No. 2 Effective Date is set forth on Part B of Schedule I.

“Initial Loan Borrowing” means a Borrowing comprised of Initial Loans.

“Initial Loan Commitment” means, with respect to each Lender, the commitment, if any, of such Lender to make an Initial Loan hereunder up to the amount set forth on Part A of Schedule I, or in the Assignment and Assumption pursuant to which such Lender assumed its Initial Loan Commitment, as applicable, as the same may be (a) reduced from time to time or terminated pursuant to this Agreement and (b) increased from time to time pursuant to assignments to such Lender pursuant to Section 10.06. The aggregate amount of the Initial Loan Commitments on the Closing Date was \$1,000,000,000.00. There are no Initial Loan Commitments outstanding on the Amendment No. 2 Effective Date.

“Initial Loan Commitment Termination Date” means the earliest to occur of (a) the funding of the Initial Loans, (b) termination of the Reorganization Agreement or consummation of the Split-Off without the borrowing of any Initial Loans, (c) April 4, 2018 (provided that such date shall automatically be extended to the Outside Date (as defined in the Reorganization Agreement) if the Outside Date is extended pursuant to the Reorganization Agreement (as in effect on the Closing Date) and (d) October 4, 2018.

“Initial Loan Lender” means each Lender holding an Initial Loan or Initial Loan Commitment, unless and until (a) such Person ceases to be a “Lender” hereunder as a result of an assignment pursuant to Section 10.06, (b) all of the Initial Loan Commitments and Initial Loans, if any, held by such Person have been assigned pursuant to Section 10.06 or (c) all of the Initial Loan Commitments, if any, held by such Person have been terminated and the Obligations relating to such Person’s Initial Loans (other than contingent obligations with respect to which no claim has been made), if any, owing to such Person have been paid in full; provided, however, that the obligations of such Person as a Lender that the Loan Documents expressly provide survive the termination of the Commitments held by such Person and the payment in full of the Obligations owing to such Person shall survive such termination and payment.

“Initial LTV Level” means [_____] %.

“Initial Pledged Shares” means the [_____] LBRDK Shares legally and beneficially owned by the Borrower as of the date hereof.

“Intercompany Note” means that certain Master Revolving Subordinated Promissory Note substantially in the form of Exhibit N.

“Interest Payment Date” means, with respect to any Loan, (x) the last Business Day of each of March, June, September and December (commencing with the first such date to occur after (i) the Funding Date, with respect to the Initial Loans, (ii) the date of any initial Subsequent Loan Borrowing, with respect to any Delayed Draw Loan and (iii) the date of the initial Borrowing of any Revolving Loan, with respect to such Revolving Loan) and (y) the Maturity Date for such Loan.

“Interest Period” means, with respect to any Loan, (a) in the case of the initial Interest Period for the Initial Loan Borrowings, the period commencing on the Funding Date and ending on but excluding the next succeeding Interest Payment Date, (b) in the case of the

Interest Period for the Loans outstanding as of the Amendment No. 2 Effective Date, the period commencing on the Amendment No. 2 Effective Date and ending on but excluding the next succeeding Interest Payment Date, (c) in the case of the initial Interest Period for any Subsequent Loan Borrowing, the period commencing on the date of such Subsequent Loan Borrowing and ending on but excluding the next succeeding Interest Payment Date, (d) in the case of the initial Interest Period for any Revolving Loan Borrowings, the period commencing on the date of such Revolving Loan Borrowing and ending on but excluding the next succeeding Interest Payment Date and (e) in the case of any subsequent Interest Period for the Initial Loans or any Subsequent Loan Borrowing or Revolving Loan Borrowings, the period commencing on the last day of the next preceding Interest Period and ending on but excluding the next succeeding Interest Payment Date; provided that 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 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; provided, however, that, if any Interest Period would otherwise extend beyond the Maturity Date for such Loan, such Interest Period shall end on the Maturity Date for such Loan. For the avoidance of doubt, other than in respect to any Stub Period, all determinations hereunder of “LIBOR” shall be determined based on an Interest Period of three (3) months, and, at the end of each Interest Period, subject to Section 3.02, all outstanding Loans shall be continued as a Borrowing with an Interest Period of three (3) months.

“Investment” means, as to any Person, (a) the purchase or other acquisition by such Person of Equity Interests or securities of another Person, (b) a loan, advance or capital contribution by such Person to, Guarantee by such Person or assumption of Indebtedness by such Person of, or purchase or other acquisition by such Person of any Indebtedness or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) by such Person of assets of another Person that constitute a business unit or all or substantially all of the assets of such Person. For the avoidance of doubt, “Investments” shall include Permitted Affiliate Investments.

“Investment Company Act” means the Investment Company Act of 1940.

“IRS” means the United States Internal Revenue Service.

“Issuer” means, collectively, (i) Liberty Broadband, (ii) following the occurrence of an Issuer Merger Event, Newco, and (iii) following the occurrence of a Spin-Off Event, Spinco for so long as any Shares of Spinco are Eligible Pledged Shares, and each of the foregoing being an “Issuer”; provided that following the occurrence of an Issuer 251(g) Merger Event, the resulting Delaware corporation shall be deemed to be an “Issuer” (except for purposes of the definition of Issuer 251(g) Merger Event).

“Issuer 251(g) Merger Event” means a merger of an Issuer pursuant to which such Issuer becomes a wholly-owned subsidiary of a holding company; provided that such merger satisfies each of the following conditions: (a) Persons that “beneficially owned” (within the meaning of Section 13(d) of the Exchange Act and the rules and regulations promulgated

thereunder) the voting stock of such Issuer immediately prior to such transaction “beneficially own” (within the meaning of Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder) shares of voting stock representing 100% of the total voting power of all outstanding classes of voting stock of such holding company and such Persons’ proportional voting power immediately after such transaction, vis-à-vis each other, with respect to the securities they receive in such transaction will be in substantially the same proportions as their respective voting power, vis-à-vis each other, immediately prior to such transaction and (b) such transaction meets each of the requirements for a merger without a shareholder vote pursuant to Section 251(g) of the Delaware General Corporation Law. For purposes of this definition, “voting stock” means capital stock of any class or kind the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of the applicable issuer, even if the right to vote has been suspended by the happening of such a contingency.

“Issuer Acknowledgment” means the notification and acknowledgment from Liberty Broadband substantially in the form of Exhibit F hereto, pursuant to which, among other provisions, Liberty Broadband provides certain acknowledgments to the Lenders in respect of the Loan Documents and the transactions contemplated thereunder.

“Issuer Acquisition” means, for any Issuer, the occurrence, effectiveness or consummation of any transaction or event pursuant to which such Issuer directly or indirectly becomes a “beneficial owner” (within the meaning of Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder) of (i) any Equity Interests in the Borrower or (ii) more than 5.0% of the Equity Interests issued by any of the following Persons: (x) the Parent or (y) the Borrower Sole Member.

“Issuer Delisting” means, for any Issuer, the public announcement that the Shares of such Issuer are no longer listed or admitted for trading on the applicable Exchange, for any reason (other than as a result of an Issuer Merger Event or an Issuer Tender Offer) and such Shares are not immediately re-listed, re-traded or re-quoted on any other Designated Exchange.

“Issuer Event” means, for any Issuer, the Triggering of (a) an Issuer Delisting or (b) an Issuer Trading Suspension.

“Issuer Merger Event” means, for any Issuer, as determined by the Calculation Agent, any (a) reclassification or change of the relevant Shares that results in a transfer of or an irrevocable commitment to transfer 100% of the outstanding Shares of such Issuer (without regard to any actions needed) to another Person, (b) consolidation, amalgamation, merger or binding share exchange of such Issuer with or into another Person (other than a consolidation, amalgamation, merger or binding share exchange in which such Issuer is the continuing entity and which does not result in a reclassification or change of 100% of the outstanding Shares of such Issuer), (c) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any Person to purchase or otherwise obtain 100% of the outstanding Shares of such Issuer that results in such Person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, 100% of the outstanding Shares of such Issuer or (d)

consolidation, amalgamation, merger or binding share exchange of such Issuer with or into another entity in which such Issuer is the continuing entity and which does not result in a reclassification or change of 100% of the outstanding Shares of such Issuer but results in the enterprise value of such Issuer being less than 100% of the enterprise value of the Person or Persons being acquired (prior to such acquisition), in each case determined by the Calculation Agent as of the date of the consummation of any such transaction; provided that, notwithstanding the foregoing, an Issuer 251(g) Merger Event will not constitute an Issuer Merger Event.

“Issuer Tender Offer” means, for any Issuer, as determined by the Calculation Agent, a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any Person (including, for the avoidance of doubt, the respective Issuer) that results in such Person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, directly or indirectly, (i) greater than 50% of the outstanding shares of any class of Equity Interests of such Issuer to the extent any shares of such class constitute Pledged Shares or (ii) a majority of the voting power of all Equity Interests entitled to vote generally in an election of directors of such Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant. Notwithstanding the foregoing, (i) if based upon the making of public filings, an Issuer Tender Offer is in connection with a proposed Issuer Merger Event such that promptly following the final expiration (and in any event within three (3) Business Days following such final expiration) of such Issuer Tender Offer (and in any event prior to the latest Maturity Date in effect) an Issuer Merger Event is likely to occur, as reasonably determined by the Calculation Agent, (ii) if the Borrower tenders Pledged Shares within the 24 hour period prior to the expiration date of such Issuer Tender Offer and (iii) if the expiration date of such Issuer Tender Offer is extended following any tender of Pledged Shares by Borrower pursuant to clause (ii) and withdrawal rights are available to shareholders generally, then the Borrower agrees to withdraw all Pledged Shares tendered pursuant to clause (ii) and, if following such withdrawal, Borrower re-tenders such shares within the 24 hour period prior to the expiration date, as extended, of such Issuer Tender Offer (clauses (i), (ii) and (iii), an “Issuer Tender to Merger Event”), then such Issuer Tender Offer shall be deemed not to have occurred for purposes of the definition of “Potential Adjustment Event” (but, for the avoidance of doubt, the related Issuer Merger Event may still occur upon its effectiveness), unless the Calculation Agent later determines that an Issuer Merger Event is not likely to occur promptly following the final expiration of such Issuer Tender Offer, in which case such Issuer Tender Offer shall be deemed to have occurred on the Business Day following such determination unless such Issuer Tender Offer fails and the parties terminate the agreement that would have resulted in the Issuer Merger Event, in which case such Issuer Tender Offer shall be deemed not to have occurred for purposes of the definition of “Potential Adjustment Event”.

“Issuer Tender to Merger Event” has the meaning specified in the definition of “Issuer Tender Offer”.

“Issuer Trading Suspension” means, for any Issuer, any suspension of trading of the Shares of such Issuer by the applicable Exchange on any Scheduled Trading Day (whether by reason of movements in price exceeding limits permitted by the Exchange or otherwise) for more than seven (7) consecutive Scheduled Trading Days.

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

“LBRDK Shares” means the Series C common stock, par value \$0.01 per share, of Liberty Broadband; provided that following the occurrence of an Issuer 251(g) Merger Event with respect to Liberty Broadband, the shares of common stock issued by the resulting Delaware corporation in exchange for such Series C common stock, shall be deemed to be the “LBRDK Shares” (except for purposes of the definition of Issuer 251(g) Merger Event).

“Lender” means (a) each Initial Loan Lender, (b) each Delayed Draw Lender, (c) each Revolving Lender and (d) any other Person that becomes a party hereto pursuant to Section 10.06 unless and until (i) such Person ceases to be a “Lender” hereunder as a result of an assignment pursuant to Section 10.06 or (ii) the Commitments, if any, held by any such Person have been terminated and the Obligations (other than contingent obligations with respect to which no claim has been made), if any, owing to such Person have been paid in full; provided, however, that the obligations of such Person as a Lender that the Loan Documents expressly provide survive the termination of the Commitments held by such Person and the payment in full of the Obligations owing to such Person shall survive such termination and payment.

“Lender Appointment Period” has the meaning specified in Section 9.06.

“Lender Participant Transaction” means, as to any Lender, any of the following: (a) a Permitted Derivatives Transaction or (b) a margin loan financing transaction secured by a substantial portion of the Pledged Shares, in each case, issued or incurred by the Parent or any wholly-owned Subsidiary of the Parent.

“Liberty Broadband” means Liberty Broadband Corporation, a Delaware corporation.

“Liberty Interactive LLC” means Liberty Interactive LLC, a Delaware limited liability company.

“Liberty Media” means Liberty Media Corporation, a Delaware corporation.

“LIBOR” means, with respect to any Interest Period or other period determined by the Administrative Agent with respect to any overdue amount, the per annum rate as determined by the Administrative Agent with such Interest Period (or other period) equal to the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate) for Dollars for a period equal in length to such Interest Period (or other period) as displayed on pages LIBOR01 or LIBOR02 of the Bloomberg screen that displays such rate (or, in the event such rate does not appear on a Bloomberg page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion; in each case the “Screen Rate”) at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period (or other period); provided that if the Screen Rate shall not be available at such time for such Interest Period (or other period) (an “Impacted Interest Period”), then “LIBOR” means the rate per annum determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the Screen Rate for the longest period for which the Screen Rate is available that is shorter than the Impacted Interest Period; and (b) the Screen Rate for the shortest period (for which that Screen Rate is available) that exceeds the Impacted Interest Period, in each case, at such time. Notwithstanding the foregoing, if LIBOR as otherwise determined pursuant to this definition shall be less than zero, such rate shall be deemed zero for purposes of this Agreement. On the Amendment No. 2 Effective Date, the LIBOR in effect for the current Interest Period, which shall be the LIBOR in effect for the remainder of the Interest Period, is 2.10438%.

“Lien” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, preference, priority or other security interest or preferential arrangement, in each case, in the nature of a security interest of any kind whatsoever.

“Loan” means, individually or collectively, as the context may require, the Initial Loans, the Revolving Loans and the Delayed Draw Loans.

“Loan Document” means any of this Agreement, the First Amendment, the Second Amendment, the Notes, if any, the Collateral Documents, the Issuer Acknowledgment and all other documents, instruments or agreements executed and delivered by the Borrower for the benefit of any Agent or any Lender in connection herewith on or after the date hereof.

“Lock-Up” has the meaning specified in the definition of “Permissible Transfer Restrictions”.

“Long Position” means any option, warrant, convertible security, swap agreement or other security, contract right or derivative position, whether or not presently exercisable, in respect of the Merger Shares or Spin-Off Shares, as applicable, that is (i) a “call equivalent position” within the meaning of Rule 16a-1(b) of the Exchange Act, including any of the foregoing that would have been a “call equivalent position” but for the exclusion in Rule 16a-1(c)(6) of the Exchange Act, or (ii) otherwise constitutes an economic long position

in respect of the Merger Shares or Spin-Off Shares, as applicable, in each case, as determined by the Calculation Agent by reference to the applicable Issuer's or the relevant Person's most recent filings with the SEC, to the extent such information is reported in such filings; provided that options, warrants and securities granted by the applicable Issuer (or, as to Spin-Off Shares, Spinco) which relate to securities that are not yet issued or outstanding shall not be deemed a "Long Position", until such securities are actually issued and become outstanding.

"LTV Event Amount" has the meaning specified in Section 2.09(c).

"LTV Margin Call Level" means [____] %.

"LTV Ratio" means, as of any date of determination, the percentage determined by the Calculation Agent by dividing (a)(i) the sum of (x) the then outstanding principal amount of the Loans (including any PIK Interest that has been added to the principal amount of the Loans), *plus* (y) all accrued and unpaid interest (including any PIK Interest that has been accrued and not yet added to the principal amount of the Loans) and fees thereon to and including such date, *minus* (ii) the face amount of Eligible Cash Collateral consisting of Cash and 99% of the fair market value, as determined by the Calculation Agent, of the amount of Eligible Cash Collateral consisting of Cash Equivalents on deposit in the Collateral Accounts by (b) the Collateral Value.

"Maintenance LTV" means [____] %.

"Mandatory Prepayment Event" means the occurrence of (a) a Change of Control, (b) an Issuer Event or (c) the Borrower permitting any Transfer Restrictions on the Eligible Pledged Shares (except for Permissible Transfer Restrictions).

"Mandatory Prepayment Notice" means a notice delivered in accordance with Section 2.05 and substantially in the form of Exhibit L.

"Market Disruption Event" means a Trading Disruption, an Exchange Disruption or an Early Closure, in each case, related to the relevant Shares.

"Market Reference Price" means, as of any date of determination, the closing sale price per share (or if no closing sale price is reported, the average of the last bid and ask prices or, if more than one in either case, the average of the average last bid and the average last ask prices) of the relevant Shares on the applicable Exchange as reported in composite transactions for the applicable Exchange on (x) such date of determination, if such date of determination is an Exchange Day and the relevant determination is made following the close of trading on the Exchange on such Exchange Day and (y) otherwise, the immediately preceding day (or if such date is not an Exchange Day for such Exchange, the immediately preceding Exchange Day for such Exchange); provided that if a Market Disruption Event has occurred on such date, the "Market Reference Price" shall be the "Market Reference Price" determined on the immediately preceding Exchange Day for such Exchange; provided, further, that if a Market Disruption Event has occurred and continues to occur for more than three consecutive Scheduled Trading Days, the "Market Reference Price" of one such Share shall

be equal to the applicable “Market Reference Price” (determined without giving effect to this proviso) on the immediately preceding day (or if such date is not an Exchange Day for such Exchange, the immediately preceding Exchange Day for such Exchange) multiplied by a percentage (expressed as a fraction) equal to (A) 100% less (B) the product of (i) 5% and (ii) the number of consecutive Scheduled Trading Days for which a Market Disruption Event has occurred less one, until a Market Reference Price is determined for an Exchange Day on which no Market Disruption Event occurs. The Market Reference Price shall be determined by the Calculation Agent.

“Master Agreement” has the meaning specified in the definition of “Swap Contract”.

“Material Adverse Effect” means (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, liabilities (actual or contingent) or financial condition of the Borrower or the Parent and its Subsidiaries, taken as a whole; (b) a material adverse effect upon the legality, validity, binding effect or enforceability against the Borrower of any Loan Document; or (c) a material adverse effect on the ability of any Applicable Lender to exercise its remedies at the times and in the manner contemplated by the Collateral Documents (including, for the avoidance of doubt, the imposition of Transfer Restrictions on the Pledged Shares other than the Permissible Transfer Restrictions).

“Material Contract” means, with respect to any Person, any Contractual Obligation to which such Person is a party (other than the Loan Documents) for which breach thereof could reasonably be expected to have a Material Adverse Effect.

“Maturity Date” means December 29, 2021 (or, if such date is not a Business Day, the immediately preceding Business Day).

“Maximum Rate” has the meaning specified in Section 10.09.

“Merger Shares” means shares of common stock into which the relevant Shares are reclassified, converted into or exchanged in connection with an Issuer Merger Event or Issuer Tender to Merger Event, as applicable, and are (or will be upon the consummation of such Issuer Merger Event or Issuer Tender to Merger Event, as applicable) listed for trading on a Designated Exchange and issued by an entity incorporated or organized under the law of the United States or any state thereof.

“Minimum Price” means \$[____]; provided that, in the event of an Issuer Merger Event or Spin-Off Event, the Calculation Agent may adjust the Minimum Price and provide for a Minimum Price applicable to the Merger Shares or Spin-Off Shares, as applicable, as it deems reasonably necessary pursuant to Section 1.02(d).

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

“Newco” means, in connection with an Issuer Merger Event, the issuer of the Merger Shares.

“Non-public Information” means information which has not been disseminated in a manner making it available to investors generally, within the meaning of Regulation FD.

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

“Obligations” means all advances to, and debts, liabilities, obligations, covenants and duties of, the Borrower arising under any Loan Document or otherwise with respect to the Loans, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest (whether in the form of any cash interest or PIK Interest) and fees (including any Prepayment Amount) that accrue after the commencement by or against the Borrower of any proceeding under any Debtor Relief Laws naming the Borrower as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding.

“Organization Documents” means (a) the certificate of formation of the Borrower filed with the Secretary of State of the State of Delaware on September 8, 2017 and (b) its limited liability company operating agreement adopted on September 8, 2017, as amended and restated by that certain amended and restated limited liability company operating agreement, by and between the Borrower Sole Member and the Independent Manager, and adopted on December 29, 2017.

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

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 3.05).

“Parent” means, prior to the Contribution Effective Time, Qurate Retail, and following the Contribution Effective Time, Splitco.

“Participant” has the meaning specified in Section 10.06(c).

“Participant Register” has the meaning specified in Section 10.06(c).

“Permissible Transfer Restrictions” means:

(a) the Existing Transfer Restrictions;

(b) Transfer Restrictions arising from Permitted Liens (other than Liens described in clause (b) of the definition of “Permitted Liens”);

(c) Transfer Restrictions arising under the Loan Documents;

(d) solely with respect to any Issuer 251(g) Merger Event, the Split-Off, any Spin-Off Event, Spin-Off Shares, any Issuer Merger Event, any Issuer Tender to Merger Event or Merger Shares, any additional Transfer Restrictions that the Calculation Agent determines in its reasonable sole discretion are (x) analogous to, and no more restrictive than, the Existing Transfer Restrictions or (y) not applicable to the Pledged Shares; provided that, for the avoidance of doubt, “Permissible Transfer Restrictions” with respect to any Spin-Off Shares or Merger Shares shall not include any Transfer Restrictions under or arising in connection with the Securities Act solely as a result of such Spin-Off Shares or Merger Shares, as applicable, being “restricted securities” within the meaning of Rule 144 (including any “holding period” restrictions under Rule 144(d)), except to the extent such Transfer Restrictions are no more restrictive than (including with respect to remaining duration) the Transfer Restrictions applicable to (x) with respect to Spin-Off Shares, the Shares of the Issuer distributing such Spin-Off Shares and (y) with respect to Merger Shares, the Shares of the Issuer undergoing such Issuer Merger Event or Issuer Tender to Merger Event, as applicable, in each case, immediately prior to the relevant Spin-Off Event, Issuer Merger Event or Issuer Tender to Merger Event, as applicable;

(e) Any Transfer Restriction arising from a customary “lock up” imposed upon Parent, the Borrower Sole Member or the Borrower in connection with an Issuer 251(g) Merger Event, a Spin-Off Event, an Issuer Merger Event, an Issuer Tender Offer, an Issuer Acquisition or any Disposition of Pledged Shares not prohibited by this Agreement (any such customary “lock up”, a “Lock-Up”), shall constitute a Permissible Transfer Restriction until (x) the consummation or effectiveness of the transaction constituting such Issuer 251(g) Merger Event, Spin-Off Event, Issuer Merger Event, Issuer Tender Offer, Issuer Acquisition or Disposition or (y) the termination of the documentation relating to any such Issuer 251(g) Merger Event, Spin-Off Event, Issuer Merger Event, Issuer Tender Offer, Issuer Acquisition or Disposition without the consummation thereof. For the avoidance of doubt, (x) a Lock-Up will not be permitted in any way to limit the grant of a Lien on any Collateral or a Lender’s ability to exercise its rights and remedies hereunder or under the other Loan Documents with respect to any Collateral or otherwise, and (y) a Lock-Up shall not constitute a Permissible Transfer Restriction on and after the consummation or effectiveness of the related Issuer 251(g) Merger Event, Spin-Off Event, Issuer Merger Event, Issuer Tender Offer, Issuer Acquisition or Disposition, as applicable; or

(f) any other Transfer Restrictions that arise after the Closing Date (x) for which an adjustment has been or is being made under clause (i) and/or clause (j) of the definition of “Potential Adjustment Event” or (y) with respect to which the Calculation Agent has determined that no such adjustment is necessary; it being understood and agreed that any such Transfer Restriction shall be deemed to be a Permissible Transfer Restriction both before and after giving effect to any such adjustment or such determination by the Calculation Agent that

no such adjustment is necessary; provided that nothing contained in this clause (f) shall be construed to limit the adjustment rights under Section 1.02(d) with respect to clause (i) and/or clause (j) of the definition of “Potential Adjustment Event”.

“Permitted Affiliate Investment” means loans made by the Borrower to Parent from time to time; provided that (a) the aggregate principal amount of all such loans outstanding at any time shall not exceed \$[] plus the amount of any interest accrued on such loans that has been added to the principal balance of such loans and (b) immediately after giving effect to each such loan, (i) no Event of Default (A) shall have occurred and be continuing or (B) would result therefrom and (ii) the LTV Ratio shall be less than or equal to the LTV Margin Call Level; provided that it is understood and agreed that to the extent any such Permitted Affiliate Investment is or is intended to be made with assets that constitute Collateral at the time of such investment, then such assets that constitute Collateral at the time of such investment must first be released as Collateral in accordance with the provisions of Section 2.09.

“Permitted Affiliate Loans” means loans made by Parent to the Borrower from time to time; provided that (i) prior to the termination of all Commitments and payments in full of all Obligations (other than contingent obligations with respect to which no claim has been made) the interest rate on any such loans shall not exceed the Floating Rate applicable to the Initial Loans, (ii) such loans shall be evidenced by an Intercompany Note and subordinated to the Obligations hereunder pursuant to the subordination provisions provided therein and (iii) no payments of principal, interest or otherwise shall be made with respect to such loans except to the extent not prohibited by this Agreement and the subordination provisions of such Intercompany Note.

“Permitted Assets” means (i) Cash, Cash Equivalents, Permitted Securities, Shares, Collateral and Permitted Affiliate Investments, (ii) proceeds of the foregoing consisting of Cash, Cash Equivalents, Permitted Securities, Shares and Collateral and (iii) dividends and distributions in respect of any Cash, Cash Equivalents, Permitted Securities, Shares, and/or Collateral.

“Permitted Derivatives Transactions” means (i) exchangeable or convertible securities issued by Splitco or a Subsidiary of Splitco (other than the Borrower) referencing or convertible into Shares, shares of Charter Communications, Inc. (ticker: CHTR), shares of LendingTree, Inc. (ticker: TREE), shares of FTD Companies, Inc. (ticker: FTD) or shares of Splitco that, in each case, (a) are sold in a broadly distributed registered offering or Rule 144A transaction and (b) contain customary terms for such securities or terms that are comparable to those contained in exchangeable or convertible securities that have been previously issued and sold by any of Liberty Expedia Holdings, Inc., Qurate Retail, Liberty Media and/or any of their respective subsidiaries; and (ii) a transaction relating to a number of Shares owned by Splitco or a subsidiary of Splitco (other than the Borrower), which is not secured by Pledged Shares, that consists of (a) (x) put options purchased by Splitco or a subsidiary of Splitco (other than the Borrower) (“Put Options”) and/or (y) call options sold by such party (provided any such call options have a strike price greater than the strike price of the Put Options in the

event that Put Options have been purchased in connection therewith), (b) forward transactions by Splitco or a subsidiary of Splitco (other than the Borrower) as seller and/or (c) any other similar sale transaction that has the same economic effect (including associated trading activity), including any related loans customarily entered into in connection with such transactions described in the foregoing clauses (a), (b) and (c).

“Permitted Holder” means any one or more of (a) Qurate Retail (or its successors), (b) Liberty Media (or its successors), (c) John C. Malone, Gregory B. Maffei, or any other executive officer or director of Qurate Retail (or its successors), Liberty Media (or its successors) or Splitco (or its successors), whether such persons are acting individually or in concert, (d) each of the respective Affiliated Persons of the Persons referred to in clause (c), and (e) any Person a majority of the aggregate voting power of all the outstanding classes or series of the Equity Interests of which are beneficially owned by any one or more of the Persons referred to in clauses (a), (b), (c) or (d); provided that neither an Issuer nor any of its Subsidiaries shall be, directly or indirectly, a Permitted Holder. For purposes of this definition, “person” and “group” have the meanings given to them for purposes of Section 13(d) and 14(d) of the Exchange Act or any successor provisions, and the term “group” includes any group acting for the purposes of acquiring, holding or disposing of securities within the meaning of Rule 13d-5(b)(1) under the Exchange Act, or any successor provision.

“Permitted Liabilities” means (a) all Contractual Obligations under the Loan Documents, (b) all taxes, assessments and governmental charges levied upon the Borrower or upon its income, profits or property, (c) all costs and expenses of the Independent Manager, (d) any other liabilities or obligations of any nature expressly allowed to be incurred by the Borrower pursuant to the definition of “Special Purpose Entity”, (e) liabilities and obligations incurred in the ordinary course of business or in connection with transactions not prohibited under the Loan Documents, (f) all Contractual Obligations under Permitted Affiliate Loans or Permitted Affiliate Investments and (g) costs and expenses relating to the administration, ownership, management and Disposition of Permitted Assets which (A) do not exceed, at the date of determination, a maximum amount equal to \$200,000 and (B) are paid within thirty (30) days of the date incurred, or, if later, invoiced.

“Permitted Liens” means (a) Liens pursuant to any Loan Document, (b) Permissible Transfer Restrictions, (c) inchoate Liens in respect of Taxes and claims permitted not to be paid in accordance with Section 6.06 and the other provisions of the Loan Documents and (d) the Liens of the Custodian to the extent expressly permitted under the Collateral Account Control Agreement.

“Permitted Securities” means any of the following:

- (a) readily marketable direct obligations of the government of the United States or any agency or instrumentality thereof that are obligations unconditionally guaranteed by the full faith and credit of the government of the United States that have a maturity of not greater than five (5) years;
- (b) short-term commercial paper issued by United States corporations and

rated at least A-1 by S&P or P-1 by Moody's; provided that the aggregate value of all commercial paper of any single issuer shall not exceed \$10,000,000;

(c) indebtedness of any Person rated at least A by S&P or A2 by Moody's with a maturity of five (5) years or less; provided that the aggregate value of all such indebtedness of any single issuer shall not exceed \$10,000,000; and

(d) money market mutual funds; provided that such funds invest only in Cash, Cash Equivalents or other Permitted Securities and/or repurchase agreements for securities described in clause (a) above.

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

"PIK Interest" means the interest that accrues and is added to the outstanding principal balance of the Loans in accordance with Section 2.06(a)(ii), which shall thereafter be deemed principal bearing interest at the Floating Rate.

"PIK Interest Election Notice" means a notice provided by the Borrower in accordance with the terms of Section 2.06(a)(ii) and substantially in the form of Exhibit J, or such other form as shall be approved by the Administrative Agent.

"Plan" means any "employee benefit plan" (as such term is defined in Section 3(3) of ERISA) whether or not subject to ERISA or the Code, established by the Borrower or, with respect to any such plan that is subject to Section 412 of the Code or Title IV of ERISA or any substantially similar non-U.S. law, any ERISA Affiliate.

"Platform" has the meaning specified in Section 7.17.

"Pledged Shares" means, (i) as of the Closing Date, the Initial Pledged Shares and (ii) after the Closing Date, all Shares credited to any and all Collateral Accounts, in each case, for so long as the security interest and Liens granted in such Shares pursuant to the Security Agreement have not otherwise been terminated and released in accordance with the Loan Documents.

"Potential Adjustment Event" means any of the following:

(a) a subdivision, consolidation or reclassification of any Shares unless resulting in an Issuer Merger Event, or a free distribution or dividend of any Shares to existing holders by way of bonus, capitalization or similar issue;

(b) a distribution, issuance or dividend to existing holders of any Shares of (i) any Shares, (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the relevant Issuer equally or proportionately with or prior to such payments to holders of any Shares, (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by any Issuer as a result of a spin-off or other similar transaction, or (iv) any other type of securities, rights or warrants or other assets, in

any case as a dividend or distribution or for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;

(c) an extraordinary dividend with respect to any class of shares of any Issuer;

(d) a call by any Issuer in respect of any class of shares of such Issuer that is not fully paid;

(e) a repurchase by any Issuer or any of its Subsidiaries of the Shares of such Issuer whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise other than the repurchase by Liberty Broadband of its Shares;

(f) in respect of any Issuer, an event that results in any shareholder rights being distributed or becoming separated from the Shares of such Issuer or other shares of the capital stock of such Issuer pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent; provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights;

(g) a Share Price Event;

(h) an Issuer Tender Offer;

(i) (i) the board of directors of any Issuer of Shares formally approves a Constrictive Amendment, (ii) a Constrictive Amendment is otherwise submitted to a shareholder vote, and the Calculation Agent reasonably determines that such Constrictive Amendment is likely to be approved; provided that if such Constrictive Amendment is not approved in the applicable shareholder vote, a Potential Adjustment Event shall be deemed not to have occurred and any adjustments made in connection therewith shall automatically cease to be effective, or (iii) a Constrictive Amendment is approved by the requisite shareholder vote; or

(j) (i) with respect to any Spin-Off Shares or Merger Shares, any Transfer Restrictions (other than any Permissible Transfer Restrictions described in clauses (a) through (e) of the definition of Permissible Transfer Restrictions) under or arising in connection with the Securities Act solely as a result of such Spin-Off Shares or Merger Shares, as applicable, being “restricted securities” within the meaning of Rule 144 (including any “holding period” restrictions under Rule 144(d)) or (ii) any Transfer Restrictions (other than any Permissible Transfer Restrictions described in clauses (a) through (e) of the definition of Permissible Transfer Restrictions) under or arising in connection with any changes to the federal securities laws of the United States after the Closing Date.

Notwithstanding anything to the contrary herein, (i) an Issuer 251(g) Merger Event shall not result in a Potential Adjustment Event, and (ii) if a Potential Adjustment Event

occurs with respect to any Spin-Off Shares, (a) Borrower may elect, by notice to the Calculation Agent delivered promptly following notice of any adjustments as may be determined in accordance with Section 1.02(d) relating to such Potential Adjustment Event, to (1) exclude the Collateral Value of such Spin-Off Shares from the calculation of the LTV Ratio (A) to the extent that the LTV Ratio (calculated without giving any Collateral Value to such Spin-Off Shares) does not exceed the LTV Margin Call Level or (B) if the LTV Ratio exceeds the LTV Margin Call Level (calculated without giving any Collateral Value to such Spin-Off Shares), so long as the Borrower complies with the provisions of Section 2.09(a) in a manner that causes the LTV Ratio to be equal to or less than the Maintenance LTV, and (2) release such Spin-Off Shares from any Liens created under the Collateral Documents in accordance with Section 2.09(h)(iii) and, in any such event, the occurrence of any of the events set forth above shall not constitute a Potential Adjustment Event with respect to such Spin-Off Shares (or, for the avoidance of doubt, any other Shares other than the Shares of the Issuer subject to the relevant Potential Adjustment Event); provided that, if the relevant Spin-Off Shares are so released, they shall cease to constitute Eligible Pledged Shares at all times thereafter, and (b) any adjustment made in accordance with Section 1.02(d) by the Calculation Agent with respect to such Potential Adjustment Event which impacts a ratio or valuation determined by reference to both Spin-Off Shares and other Shares shall take into account the proportionate value, as reasonably determined by the Calculation Agent, of such Spin-Off Shares and other Shares.

“Prepayment Amount” means, with respect to (a) subject to the following proviso, on or prior to the Prepayment Date, (i) any prepayment of Delayed Draw Loans by the Borrower made pursuant to Section 2.04, Section 2.05 or Section 2.09(a) or (ii) any payment of Delayed Draw Loans upon or following an acceleration of the maturity of such Delayed Draw Loans under Section 8.02, in each case, an amount equal to the product of (x) the principal amount of the Delayed Draw Loans being paid or prepaid, (y) 50% of the Base Spread and (z) the actual number of calendar days from the date of such payment or prepayment to the Prepayment Date divided by 360 or (b) any payment, repayment or prepayment after the Prepayment Date, zero; provided that, notwithstanding anything to the contrary contained herein, (A) no Prepayment Amount shall be due or payable on any PIK Interest that was added to the principal balance of the Delayed Draw Loans, (B) no Prepayment Amount shall be due or payable by the Borrower to a Lender (or, at the election of such Lender, shall be paid by an Affiliate of such Lender) with respect to any payment or prepayment made on Delayed Draw Loans held by such Lender in connection with or at any time after a Lender Participant Transaction that such Lender (or one of its Affiliates) has had a reasonable opportunity to meaningfully participate in, (C) to the extent a Lender (or one of its Affiliates) has not had a reasonable opportunity to meaningfully participate in a Lender Participant Transaction on or prior to the date a payment or prepayment is being made on Delayed Draw Loans held by such Lender, then only such Lender’s relevant Ratable Share of the Prepayment Amount, if any, due and payable to such Lender with respect to such payment or prepayment of Delayed Draw Loans shall be due and payable by the Borrower to such Lender and the full Prepayment Amount applicable to all Delayed Draw Loans shall not be due or payable by the Borrower unless none of the Lenders or their Affiliates were given a reasonable opportunity to meaningfully participate in a Lender Participant Transaction on or prior to the date such Prepayment Amount is due and payable and (D) notwithstanding anything to the contrary

herein, no Prepayment Amount shall be due with respect to (x) any Initial Loans and/or (y) Revolving Loans.

“Prepayment Date” means the first Business Day immediately following the date that is twelve (12) months after the Amendment No. 2 Effective Date.

“primary obligor” has the meaning specified in the definition of “Guarantee”.

“Prime Rate” means the rate of interest in effect for such day as publicly announced from time to time by the Administrative Agent as its “prime rate”. The “prime rate” is a rate set by the Administrative Agent based upon various factors including the Administrative Agent’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such prime rate announced by the Administrative Agent shall take effect at the opening of business on the day specified in the public announcement of such change.

“Pro Rata Basis” means in proportion to each Lender’s Applicable Percentage relating to the Loans under this Agreement, subject, in each case, to rounding to the nearest Share, \$0.01 or item or unit of other securities or property, as applicable.

“Purchaser Representations” means the following representations, warranties and agreements made by an assignee or participant, as applicable: (i) a representation and warranty that such assignee or participant is a QIB, a QP and an “accredited investor” as defined in Section 2(a)(15)(ii) of the Securities Act and is entering into such assignment or participation as principal and not for the benefit of any third party, (ii) a representation that such assignee or participant is not a natural person, a Defaulting Lender, any Person who, upon becoming a Lender under this Agreement, would constitute a Defaulting Lender or an Affiliate of a Defaulting Lender, a Permitted Holder, the Parent, the Borrower, the Borrower Sole Member, any Issuer or any Affiliate of a Defaulting Lender, the Parent, the Borrower, the Borrower Sole Member or any Issuer, (iii) an acknowledgment that such assignee or participant fully understands any restrictions on transfers, sales and other dispositions in the Loan Documents or relating to any Collateral consisting of the Pledged Shares, (iv) an acknowledgment that such assignee or participant is able to bear the economic risk of its investment in the assignment or participation and is currently able to afford a complete loss of such investment, (v) a covenant that such assignee or participant will only assign its Loans or sell its participation or participations therein pursuant to documentation including such Purchaser Representations, (vi) an acknowledgment by such assignee or participant that the Pledged Shares forming part of the Collateral cannot be sold by the Borrower without registration under, or in a transaction exempt from the registration requirements under, the Securities Act, (vii) an acknowledgment that such assignee or participant is not entering into such assignment or participation on the basis of any material Non-public Information with respect to the Borrower, any Issuer, their Subsidiaries or their securities, and, if applicable, it has implemented reasonable policies and procedures, taking into consideration the nature of its business, to ensure that individuals making investment decisions would not violate the laws prohibiting trading on the basis of material Non-public Information (it being understood that

such assignee or participant may have material Non-public Information on the private side of its information wall, sometimes referred to as a “Chinese Wall,” at the time of such assignment or participation); provided that, for the avoidance of doubt, “material Non-public Information concerning the Borrower, any Issuer, their Subsidiaries or their securities” shall not include any information made available to both the assignee and the assignor or both the participant and the seller of a participation interest, as the case may be, and (vii) an acknowledgment that it has made an independent decision to purchase its Loans or participation based on information available to it, which it has determined adequate for the purpose.

“QIB” means a “qualified institutional buyer” as defined in Rule 144A under the Securities Act.

“QP” means a “qualified purchaser” within the meaning of Section 2(a)(51) of the Investment Company Act.

“Qurata Retail” means Qurata Retail, Inc., a Delaware corporation (f/k/a Liberty Interactive Corporation f/k/a Liberty Media Corporation, in each case, a Delaware corporation).

“Ratable Share” (a) of any amount means, with respect to any Lender at any time other than in connection with payments and repayments, the product of (i) a fraction, the numerator of which is the aggregate principal amount of the relevant Type or Types of Loans outstanding at such time owed to such Lender, and the denominator of which is the aggregate principal amount of such relevant Type or Types of Loans outstanding at such time and (ii) such amount, (b) of any amount means, with respect to any Lender at any time in connection with prepayments and repayments, the product of (i) a fraction, the numerator of which is the aggregate principal amount of the relevant Type or Types of Loans outstanding owed to such Lender and being paid or prepaid at such time, and the denominator of which is the aggregate principal amount of such relevant Type or Types of Loans outstanding and being paid or prepaid at such time (and with respect to any Prepayment Amount, in each case, taking into account only the Loans of Lenders with respect to which the Prepayment Amount is required to be paid) and (ii) such amount and (c) of any type of Collateral, means, with respect to any Applicable Lender at any time, the product of (i) a fraction, the numerator of which is the aggregate principal amount of the Loans outstanding at such time owed to such Applicable Lender, plus such portion of the Loans of each Agent Lender that such Applicable Lender is holding Collateral on behalf of, and the denominator of which is the aggregate principal amount of the Loans outstanding at such time and (ii) the aggregate amount of such type of Collateral, subject to rounding to the nearest Share, \$0.01 or item or unit of other securities or property, as applicable.

“Recipient” means (a) any Agent and (b) any Lender.

“Register” has the meaning specified in Section 2.10(a).

“Regulation FD” means Regulation FD as promulgated under the Securities Exchange Act of 1934.

“Reincorporation Merger” means the merger of GCI Liberty (Alaska) with and into its wholly-owned subsidiary, GCI Merger Sub, to effect the reincorporation of GCI Liberty (Alaska) from the State of Alaska to the State of Delaware. For the avoidance of doubt, the Loan Documents shall in no way prevent or prohibit the Reincorporation Merger.

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the branches, partners, directors, officers, employees, agents and advisors of such Person and of such Person’s Affiliates.

“Reorganization Agreement” means that certain Agreement and Plan of Reorganization, dated as of April 4, 2017, as amended by Amendment No. 1 to Reorganization Agreement, dated as of July 19, 2017, and Amendment No. 2 to Reorganization Agreement, dated as of November 8, 2017, by and among Qurate Retail, Liberty Interactive LLC and Splitco, as may be further amended, restated, amended and restated, supplemented or otherwise modified from time to time.

“Required Lenders” means at any time Lenders holding at least a majority of the sum of (a) the then aggregate outstanding principal amount of the Loans and (b) the aggregate principal amount of the unused Commitments (if any); provided that the outstanding Loans held by, and unused Commitments of, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

“Required Revolving Lenders” means Lenders having more than 50% of all Revolving Commitments; provided that the Revolving Commitments of any Defaulting Lender shall be excluded for purposes of making a determination of Required Revolving Lenders.

“Responsible Officer” means (a) the president, the chief financial officer, the principal financial officer, the controller, the treasurer or any vice president of the Borrower, the Borrower Sole Member or the Parent, (b) solely for purposes of delivery of certificates pursuant to Section 4.01(a)(iii), the secretary or assistant secretary of the Borrower, the Borrower Sole Member or the Parent and (c) solely for purposes of notices given pursuant to Article II, any other person duly authorized to act for and on behalf of the Borrower, the Borrower Sole Member or the Parent, as applicable, so designated by any of the foregoing officers in a notice to the Administrative Agent, in each case of clauses (a), (b) and (c), as such officer is acting on behalf of the Borrower, the Borrower Sole Member on behalf of itself or the Borrower, or the Parent on behalf of itself, on behalf of the Borrower Sole Member or on behalf of the Borrower. Any document delivered hereunder that is signed by a Responsible Officer shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of the Borrower, the Borrower Sole Member or the Parent, as applicable, and such Responsible Officer shall be conclusively presumed to have acted on behalf of the Borrower, the Borrower Sole Member on behalf of itself or the Borrower or the Parent on behalf of itself, on behalf of the Borrower Sole Member or on behalf of the Borrower, as applicable.

“Restricted Payment” means, with respect to any Person, (a) any dividend or other distribution (however denominated, including as “yield” and whether in cash, securities or other property) with respect to any capital stock or other Equity Interest of such Person or (b) any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such capital stock or other Equity Interest, or on account of any return of capital to such Person’s stockholders, partners or members (or the equivalent Person thereof).

“Restricted Transaction” means, in respect of Splitco and its Subsidiaries, including the Borrower: (i) any financing transaction, secured by or referencing any Shares other than the Loans and any Permitted Derivatives Transactions, (ii) any grant, occurrence or existence of any Lien on any Shares other than (x) Liens securing the obligations under the Loan Documents, (y) Permitted Liens and (z) with respect to Splitco and its Subsidiaries (other than the Borrower), Liens on any Shares in connection with any Permitted Derivatives Transaction, or (iii) any swap, hedge or derivative transaction (including by means of a physically- or cash-settled derivative or otherwise) related to any Shares other than any Permitted Derivatives Transaction. For the avoidance of doubt, none of the following shall constitute a Restricted Transaction: (a) the financing hereunder and the other Loan Documents; (b) any sale or other transfer of the Equity Interests of Splitco or the Borrower and (c) any “put”, makewell right or similar right or transaction that is entered into with a party that is not a financial institution in connection with a strategic transaction.

“Revolving Availability Period” means the period from and including the Amendment No. 1 Effective Date to but excluding the earlier of (a) the date that is one month prior to the Maturity Date and (b) the date of termination of all of the Revolving Commitments.

“Revolving Commitments” means, with respect to each Lender, the commitment, if any, of such Lender to make Revolving Loans hereunder up to the amount set forth on Part B of Schedule I, or in the Assignment and Assumption pursuant to which such Lender assumed its Revolving Commitment, as applicable, as the same may be (a) reduced from time to time pursuant to Section 2.08, (b) reduced from time to time pursuant to Section 8.02 and (c) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 10.06. The aggregate amount of the Lenders’ undrawn Revolving Commitments on the Amendment No. 2 Effective Date is \$100,000,000.

“Revolving Lender” means a Lender with a Revolving Commitment or an outstanding Revolving Loan.

“Revolving Loan” means a Loan made by the Lenders with Revolving Commitments to Borrower pursuant to Section 2.01. The aggregate principal amount of Revolving Loans outstanding on the Amendment No. 2 Effective Date is \$100,000,000.

“Revolving Loan Borrowing” means a Borrowing comprised of Revolving Loans.

“Revolving Loan Commitment Fee” has the meaning set forth in Section 2.06(f).

“Rule 144” means Rule 144 under the Securities Act.

“S&P” means Standard & Poor’s Financial Services LLC, or any successor thereto.

“Sanctioned Country” means, at any time, a country or territory which is the subject or target of any Sanctions.

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State or by the United Nations Security Council, the European Union or Her Majesty’s Treasury of the United Kingdom, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person Controlled by any such Person.

“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 the Office of Foreign Assets Control of the U.S. Department of the Treasury 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.

“Scheduled Trading Day” means any day on which the applicable Exchange is scheduled to be open for trading during the regular trading session (it being understood and agreed that any day on which an applicable Exchange is open for trading but is scheduled to close early in connection with a current or pending holiday shall constitute a regular trading session).

“SEC” means the U.S. Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

“Second Amendment” means that certain Amendment No. 2 to Margin Loan Agreement and Amendment No. 1 to Collateral Account Control Agreement, dated as of November 25, 2019, by and among the Borrower, the Lenders party thereto, the Calculation Agent, the Administrative Agent and the Custodian.

“Secured Parties” means, collectively, each of the Applicable Lenders, as collateral agent for the benefit of itself, its Agented Lenders and the Agent, and each such Applicable Lender, individually, being a “Secured Party”.

“Securities Act” means the Securities Act of 1933.

“Security Agreement” means the Security Agreement, substantially in the form of Exhibit D, by and among the Borrower, the Administrative Agent, the Calculation Agent

and the Applicable Lenders (as the same may be amended, restated or otherwise modified from time to time and including any successor or replacement agreement).

“Share Price Event” means the occurrence, as of the close of business on any Scheduled Trading Day, of the Market Reference Price of any Eligible Pledged Shares being equal to or less than the Minimum Price for such Shares.

“Shares” means, collectively, (a) the Initial Pledged Shares and (b) following the occurrence of an Issuer Merger Event or Spin-Off Event, Merger Shares and/or Spin-Off Shares, as applicable; provided that following the occurrence of an Issuer 251(g) Merger Event, the shares of common stock issued by the resulting Delaware corporation in exchange for the then applicable Shares shall be deemed to be “Shares” (except for purposes of the definition of Issuer 251(g) Merger Event).

“Solvency Certificate” means a solvency certificate substantially in the form of Exhibit G.

“Solvent” means, with respect to any Person, that as of any date of determination, (i) the present fair value of such Person’s assets exceeds the total amount of such Person’s liabilities (including contingent liabilities), (ii) such Person has capital and assets sufficient to carry on its businesses, (iii) such Person is not engaged and is not about to engage in a business or a transaction for which its remaining assets are unreasonably small in relation to such business or transaction and (iv) such Person does not intend to incur or believe that it will incur debts and/or liabilities beyond its ability to pay such debts or liabilities as they become due. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“Special Purpose Entity” means a limited liability company which, at all times since its formation and thereafter, shall be (i) organized solely for the following purposes set forth in clauses (a) through (e) below and (ii) operated in accordance with clauses (f) through (ff) below:

(a) to receive, acquire, invest in, own, hold, vote, sell, transfer, exchange, assign, distribute, dispose of, manage, encumber, pledge and otherwise deal with and in Permitted Assets, including, but not limited to, making Permitted Affiliate Investments, in a manner not prohibited by the Loan Documents;

(b) to enter into and perform its obligations under or with respect to this Agreement and the other Loan Documents, Permitted Affiliate Loans, Permitted Affiliate Investments and all documents, instruments or agreements executed and delivered in connection therewith and the borrowings thereunder and all other Contractual Obligations not otherwise prohibited under this Agreement or the other Loan Documents;

(c) to receive and distribute to the Borrower Sole Member, in the sole discretion of the Borrower Sole Member, as the sole member and a manager of the Borrower, (i) the proceeds of borrowings under this Agreement as a dividend or a return of capital, (ii) any Permitted Assets, other than Collateral (except to the extent such Collateral has been released pursuant to the provisions of this Agreement), (iii) the proceeds of any Permitted Affiliate Loans and (iv) any proceeds of any of the foregoing, in each case to the extent not prohibited by the Loan Documents;

(d) to incur, issue, pay or discharge Permitted Liabilities;

(e) to engage in any lawful act or activity and to exercise any powers permitted to limited liability companies organized under the laws of the State of Delaware that are related or incidental to and necessary, convenient or advisable for the accomplishment of the above mentioned purposes, including the power to maintain its legal existence, the power to incur reasonable fees, costs and expenses related to the ownership, administration and management of Permitted Assets and the power to incur and discharge Permitted Liabilities incurred in the furtherance of the foregoing purposes, in each case, to the extent not expressly prohibited under the Loan Documents;

(f) has not engaged and will not engage in any business unrelated to the purpose of such limited liability company as set forth in this definition;

(g) has not owned and will not own any asset or property other than Permitted Assets and incidental personal property necessary for the conduct of its business as permitted under this definition and the Loan Documents;

(h) has not bought or held and will not buy or hold any evidence of indebtedness issued by any other Person, other than Permitted Assets and Permitted Affiliate Loans;

(i) to the fullest extent permitted by law, has not engaged in, sought or consented to and will not engage in, seek or consent to any dissolution, winding up or liquidation, in whole or in part, and, to the extent prohibited under the Loan Documents, has not and will not engage in any consolidation, merger or asset sale or amendment of its certificate of formation or operating agreement;

(j) has not failed and will not fail to correct any known misunderstanding regarding the separate identity of such entity;

(k) has maintained and will maintain its own separate books, records and bank accounts;

(l) has maintained and will maintain its books, records, resolutions and agreements as official records at its offices at 12300 Liberty Boulevard, Englewood, Colorado 80112 and not change the location of such books, records, resolutions and agreements without first providing the Administrative Agent at least thirty (30) days (or such shorter period as may be agreed by the Administrative Agent) prior written notice of such change in location;

(m) has maintained and will maintain a separate statement of assets and liabilities showing its assets and liabilities separate and apart from those of any other Person and not permit its assets and liabilities to be listed on the financial statements of any other Person; provided that the financial statements of an Issuer may be consolidated into the Borrower's financial statements to the extent required by GAAP; provided, further, that the Borrower's assets and liabilities may be included in the consolidated financial statements of the Parent and/or the Borrower Sole Member so long as (A) appropriate notations shall be made on such consolidated financial statements to indicate the separateness of the Borrower and the Parent and/or the Borrower Sole Member and to include that the Borrower's assets and credit are not available to satisfy the debt and other obligations of the Parent, the Borrower Sole Member or any other Person and (B) such assets shall also be listed on the Borrower's own separate balance sheet;

(n) has not commingled and will not commingle its funds or other assets with those of any other Person, except to the extent expressly permitted or required under the Loan Documents;

(o) except as otherwise expressly required or permitted by this Agreement and the other Loan Documents, has held and will hold its assets in its own name, and has maintained and will maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person;

(p) [reserved];

(q) is and intends to remain Solvent, and has paid and will pay its own debts and liabilities out of its own funds and assets (to the extent of such funds and assets) as the same shall become due, and will give prompt written notice to the Administrative Agent of the insolvency or bankruptcy filing of the Borrower or the Parent or the Borrower Sole Member; provided that the foregoing shall not require the Parent, the Borrower Sole Member or any other Person to make any additional contributions to the Borrower;

(r) has done or caused to be done, and will do or cause to be done, all things necessary to observe all limited liability company formalities and preserve its existence and good standing, and will not amend, modify or otherwise change any of the single purpose, separateness or bankruptcy remote provisions or requirements of its operating agreement or other organizational documents, in each case as described in this definition (except as required by law or approved by the Required Lenders or pursuant to Section 7.06);

(s) shall not enter into any transaction of any kind with any Affiliate of the Borrower whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to the Borrower as would be obtainable by the Borrower at the time in a comparable arm's length transaction with a Person other than an Affiliate; provided that (i) the Borrower may enter into any Contractual Obligation or any other transaction with an Affiliate not prohibited under this Agreement and the other Loan Documents, including Permitted Affiliate Loans and payments with respect thereto and Permitted Affiliate Investments, (ii) the Parent or any of its other Affiliates may make additional capital contributions of Permitted Assets to the Borrower at such times, in such amounts and on such terms as they may, in their sole discretion, deem appropriate or advisable, and the Borrower may receive and deal with the same, (iii) the Borrower may distribute, dividend, loan or otherwise transfer the proceeds of the Loans, any other Permitted Assets and the proceeds of any Permitted Affiliate Loans, other than Collateral (except to the extent such Collateral has been released pursuant to the provisions of this Agreement), to the Parent or any of its other Affiliates and (iv) the Borrower may continue to acquire, own, hold, vote, sell, transfer, exchange, assign, dispose of, manage, encumber, invest in (including Permitted Affiliate Investments) and otherwise deal with and in Permitted Assets (and exercise the Borrower's rights with respect thereto), in each case in a manner that is not prohibited by any provision of the Loan Documents;

(t) has no and will have no (x) Indebtedness other than Permitted Assets and Permitted Liabilities or (y) Contractual Obligations other than Permitted Assets, Liens not prohibited by Section 7.02, Permitted Liabilities, the Reorganization Agreement and Contractual Obligations ancillary or relating to any of the foregoing or consisting of Lock-Ups or Contractual Obligations ancillary or relating thereto or entered into in connection with transactions not prohibited under this Agreement or the other Loan Documents and containing customary obligations and undertakings customary for such transactions;

(u) has not assumed and will not assume, guarantee, become obligated for or hold out its credit as being available to satisfy the debts or obligations of any other Person, including any Affiliate of the Borrower, or the decisions or actions respecting the daily business or affairs of any other Person, including any such Affiliate;

(v) has not acquired and will not acquire obligations or securities of the Borrower Sole Member;

(w) has conducted and will at all times conduct its business solely in its own name in a manner not misleading to other Persons as to its identity (including through the use of separate stationery, invoices and checks bearing its own name);

(x) other than in connection with the Loan Documents, has not pledged and will not pledge its assets for the benefit of any other Person;

(y) has held itself out and identified itself and will hold itself out and identify itself to the public as a legal entity separate and distinct from any other Person and under its own name;

(z) has not made or permitted to remain and will not make or permit to remain outstanding any loan or advance to, or own or acquire any stock or securities of, any Person, except that the Borrower may invest in Permitted Assets (including Permitted Affiliate Investments) and may make any loan or advance required to be made under any provisions of the Loan Documents or not prohibited under the Loan Documents and permit the same to remain outstanding in accordance with such provisions;

(aa) has maintained and intends to maintain adequate capital (to the extent there is adequate cash flow from Permitted Assets) for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations; provided that the foregoing shall not require the Borrower Sole Member or, if the Parent is not the Borrower Sole Member, the Parent to make any additional contributions to the Borrower;

(bb) has not permitted and will not permit any Affiliate of the Borrower independent access to its bank accounts except for the duly authorized officers, employees and agents of the Borrower Sole Member, or if the Parent is not the Borrower Sole Member, the Parent, in each case, acting on behalf of the Borrower Sole Member in its capacity as the manager of the Borrower pursuant to and in accordance with the Organization Documents of the Borrower;

(cc) has not identified and will not identify the Borrower Sole Member or other Affiliates of the Borrower as a division or a department of the Borrower, and has not identified and will not identify itself as a department or division or part of any other Person except, in each case, as required by applicable Law with respect to Taxes or as provided by clause (m) above;

(dd) has not formed, acquired or held and will not form, acquire or hold any Subsidiary (whether corporate, partnership, limited liability company or other);

(ee) has caused and will use its best efforts to cause its agents and other representatives to act at all times with respect to the business and affairs of such entity in compliance with the foregoing; and

(ff) has and will have an Independent Manager.

“Spin-Off Event” means a distribution, whether as a dividend or otherwise, of the common stock of any Person (other than a Person that is then an Issuer) by an Issuer to the holders of the Shares of such Issuer, as determined by the Calculation Agent.

“Spin-Off Shares” means the shares of common stock of a Person (other than a Person that is then an Issuer) distributed to the holders of the Shares of such Issuer in connection with a Spin-Off Event and are (or will be upon the consummation of such Spin-Off Event) listed for trading on a Designated Exchange and issued by an entity incorporated or organized under the laws of the United States or any state thereof.

“Spinco” means, in connection with a Spin-Off Event, the issuer of the Spin-Off Shares.

“Split-Off” means the redemption by Qurate Retail of each outstanding share of its Series A Liberty Ventures common stock and Series B Liberty Ventures common stock in exchange for one share of GCI Liberty (Alaska) Class A common stock and GCI Liberty (Alaska) Class B common stock, respectively, pursuant to the terms of the Reorganization Agreement (excluding the provisions from any amendments, restatements, amendments and restatements, supplements or other modifications to the Reorganization Agreement entered into after the Closing Date modifying the Split-Off (as contemplated in the Reorganization Agreement, as in effect on the date hereof) that adversely affect the Lenders in any material respect).

“Splitco” means (a) initially, GCI Liberty (Alaska) and (b) upon and after the consummation of the Reincorporation Merger, GCI Merger Sub, to be renamed GCI Liberty, Inc.

“Stub Period” shall mean, with respect to any Loan, (a) unless such Loan is made on an Interest Payment Date, the initial Interest Period with respect to such Loan and (b) unless the relevant Maturity Date is on an Interest Payment Date, the Interest Period ending on the relevant Maturity Date.

“Subsequent Loan Borrowing” means a Borrowing comprised of Delayed Draw Loans funded after the Amendment No. 2 Effective Date.

“Subsidiary” of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise Controlled, directly, or indirectly through one or more intermediaries, or both, by such Person; provided that no Issuer shall be included as a “Subsidiary” of the Borrower for any purposes under this Agreement or the other Loan Documents.

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

Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “Master Agreement”), including any such obligations or liabilities under any Master Agreement.

“Swap Termination Value” means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contract(s), (a) for any date on or after the date such Swap Contract(s) have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined in accordance with the methodology for determining termination value in such Swap Contracts.

“Synthetic Lease Obligation” means the monetary obligation of a Person under (a) a so-called synthetic or off-balance sheet lease, or (b) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such Person but which, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

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

“Threshold Amount” means \$500,000.

“Trading Disruption” means the occurrence or existence during the one-half hour period ending on the scheduled close of trading on any Exchange Day of any material suspension of or limitation imposed on trading by the relevant Exchange (whether by reason of movements in price exceeding limits permitted by such Exchange or otherwise) in any Shares that are Pledged Shares as determined by the Calculation Agent other than as a result of an Early Closure.

“Trading with the Enemy Act” has the meaning specified in Section 5.19.

“Transfer Restrictions” means, with respect to any property (including, in the case of securities, security entitlements in respect thereof), any condition to or restriction on the ability of the holder thereof to sell, assign, pledge or otherwise transfer such property or to enforce the provisions thereof or of any document related thereto whether set forth in such property itself or in any document related thereto, including (i) any requirement that any sale, assignment, pledge or other transfer or enforcement of such property be subject to any volume limitations or be consented to or approved by any person, including the issuer thereof or any other obligor thereon, (ii) any limitations on the type or status, financial or otherwise, of any purchaser, pledgee, assignee or transferee of such property, (iii) any requirement of the delivery of any certificate, consent, agreement, opinion of counsel, notice or any other document of any person to the issuer of, any other obligor on or any registrar or transfer agent for, such property, prior to the sale, pledge, assignment or other transfer or enforcement of such property,

(iv) any registration or qualification requirement or prospectus delivery requirement for such property pursuant to any federal, state or foreign securities law (including any such requirement arising under the Securities Act), (v) any condition to or restriction on the ability of a potential purchaser, assignee, pledgee or transferee to acquire such property from the holder thereof and (vi) any legend or other notification appearing on any certificate representing such property to the effect that any such condition or restriction exists; except that the required delivery of any assignment, instruction or entitlement order from the Borrower or any pledgor, assignor or transferor of such property, together with any evidence of the corporate or other authority of such Person, shall not constitute such a condition or restriction.

“Treasury Regulations” means the final or temporary regulations that have been issued by the U.S. Department of the Treasury pursuant to its authority under the Code, and any successor regulations.

“Triggering” means, with respect to an Issuer Event that is an Issuer Trading Suspension or Issuer Delisting, the occurrence or effectiveness thereof; provided that no Triggering of an Issuer Trading Suspension or Issuer Delisting, as applicable, that relates to Spin-Off Shares, shall be deemed to have occurred (x) to the extent that such Spin-Off Shares are not included in the Collateral or (y) if such Spin-Off Shares are included in the Collateral, to the extent that at the time of the Issuer Trading Suspension or Issuer Delisting, as applicable, with respect to such Spin-Off Shares, (1) the LTV Ratio (calculated without giving any Collateral Value to such Spin-Off Shares) does not exceed the LTV Margin Call Level or (2) if the LTV Ratio exceeds the LTV Margin Call Level (calculated without giving any Collateral Value to such Spin-Off Shares), the Borrower complies with the provisions of Section 2.09(a) in a manner that causes the LTV Ratio to be equal to or less than the Maintenance LTV (it being understood and agreed that any Mandatory Prepayment Notice given in connection with the Triggering of an Issuer Event in substantially the form of Exhibit L hereto shall be deemed to satisfy the requirement to provide a Collateral Shortfall Notice to the Borrower); provided, however, that, on and after the Triggering of an Issuer Event with respect to any Issuer of Spin-Off Shares, such Spin-Off Shares shall cease to constitute Eligible Pledged Shares at all times thereafter.

“Type” means, as to any Loan, whether it is (a) an Initial Loan, (b) a Revolving Loan or (c) a Delayed Draw Loan.

“UCC” means the Uniform Commercial Code as in effect from time to time in the State of New York.

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

“Upfront Fee” has the meaning specified in Section 2.06(g).

“U.S. Person” means any Person who is a “U.S. person” within the meaning of Section 7701(a)(30) of the Code.

“U.S. Tax Compliance Certificate” has the meaning specified in Section 3.01(g)(ii)(B)(III).

“USA PATRIOT Act” has the meaning specified in Section 10.15.

“Valuation Percentage” means, with respect to any Merger Shares or Spin-Off Shares, as the case may be, the applicable percentage reasonably determined by the Calculation Agent, in an equitable manner as the Calculation Agent determines necessary to preserve for the Lenders and the Borrower the intent of the parties (including the intention expressed through definitions) and the fair value and risks in the Loans after non-binding consultation with the Borrower for up to three (3) Business Days during the period prior to the effectiveness of the related Issuer Merger Event or Spin-Off Event, as applicable (or such longer period of time as determined by the Calculation Agent), for purposes of determining the Collateral Value with respect to such Merger Shares or Spin-Off Shares, as the case may be; provided that, for the avoidance of doubt (i) the Valuation Percentage may be a percentage between 0% and 100%, inclusive, and (ii) the Calculation Agent may, but is not required to, determine the Valuation Percentage by reference to, among other factors and without limitation, the liquidity of the relevant securities; provided, further, that if, in the reasonable judgment of the Calculation Agent, the Valuation Percentage cannot reasonably be determined prior to or upon the effectiveness of the related Issuer Merger Event or Spin-Off Event, then the Valuation Percentage shall be a good faith estimate as reasonably determined by the Calculation Agent which may be adjusted by the Calculation Agent as soon as practicable following such effectiveness in an equitable manner as the Calculation Agent determines necessary to preserve for the Lenders and the Borrower the intent of the parties (including the intention expressed through definitions) and the fair value and risks in the Loans and after non-binding consultation with the Borrower for up to three (3) Business Days. Notwithstanding the foregoing, if, with respect to such Merger Shares or Spin-Off Shares, as applicable, no Transfer Restrictions other than Permissible Transfer Restrictions (whether in the hands of the Borrower or any Lender or Agent exercising its rights with respect thereto under the Loan Documents) apply and such Merger Shares or Spin-Off Shares, as applicable, are (or upon consummation of the relevant Issuer Merger Event or Spin-Off Event will be (it being understood and agreed that such Shares shall not constitute Eligible Pledged Shares until such time as such Shares are listed for trading on a Designated Exchange)) listed for trading on a Designated Exchange, the Valuation Percentage shall be 100% with respect to such Merger Shares or Spin-Off Shares, as applicable, if the Calculation Agent determines that each of the following conditions is satisfied: (A) the issuer of such Merger Shares or Spin-Off Shares, as applicable, (i) has filed all required reports under Section 13 or 15(d) of the Exchange Act, as applicable, for at least twelve (12) months (or for such shorter period that such issuer was required to file such reports) and (ii) has submitted electronically and posted on its corporate web site, if any, every Interactive Data File (as defined in Rule 11 of Regulation S-T) required to be submitted and posted pursuant to Rule 405 of Regulation S-T, for at least twelve (12) months (or for such shorter period that such issuer was required to submit and post such files), and (B) the Free Float of the Merger Shares or Spin-Off Shares, as applicable, as determined by the Calculation Agent in a commercially reasonable manner is at least [] percent ([]%). Upon receipt of written request from the Borrower following any determination of a Valuation Percentage,

the Calculation Agent shall reasonably promptly provide Borrower with a written explanation describing in reasonable detail any calculation or determination made by it in determining such Valuation Percentage (including any quotations, market data or information from internal sources used in making such calculations, but without disclosing Calculation Agent's proprietary models or confidential information).

“Voluntary Prepayment” has the meaning specified in Section 2.04.

“Voluntary Prepayment Notice” has the meaning specified in Section 2.04.

“Withholding Agent” means the Borrower or the Administrative Agent.

“Write-Down and Conversion Powers” means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

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

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “shall” shall be construed to have the same meaning and effect as the word “will.” Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified in accordance with the terms hereof and thereof (subject to any restrictions on, or an Event of Default resulting from, such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns, (iii) the words “herein,” “hereof” and “hereunder,” and words of similar import, when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any Law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such Law and any rules or regulations promulgated thereunder and any reference to any Law shall, unless otherwise specified, refer to such Law as amended, modified or supplemented from time to time, and (vi) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later

specified date, the word “from” means “from and including,” the words “to” and “until” each mean “to but excluding,” and the word “through” means “to and including.”

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

(d) Following the occurrence of an Issuer Merger Event, Spin-Off Event or Potential Adjustment Event, the Calculation Agent (or the Required Lenders, but only to the limited extent permitted in and subject to the terms and conditions of Sections 2.05 and 2.09) may adjust, with respect to (x) in the case of an Issuer Merger Event, the Shares that are the subject of such Issuer Merger Event, (y) in the case of a Spin-Off Event, the Shares issued by the Issuer which is issuing Spin-Off Shares in connection with a Spin-Off Event and Spin-Off Shares issued in connection with such Spin-Off Event and (z) in the case of a Potential Adjustment Event, the Shares issued by the Issuer subject to such Potential Adjustment Event, one or more terms of any Loan Document as the same relate to such Shares, as applicable (including the definitions of Minimum Price, Issuer Delisting, Issuer Event, Issuer Merger Event, Issuer Tender Offer, Issuer Trading Suspension, Share Price Event, LTV Margin Call Level, Initial LTV Level, Maintenance LTV or any other term or provision as the same relate to such Shares), in an equitable manner as the Calculation Agent (or the Required Lenders, but only to the limited extent permitted in and subject to the terms and conditions of Sections 2.05 and 2.09) determines necessary to preserve for the Lenders and the Borrower the intent of the parties (including the intention expressed through definitions) and the fair value and risks in the Loans and determine the effective date(s) of the adjustment(s), after non-binding consultation with the Borrower. Notwithstanding the foregoing, the Calculation Agent and the Lenders may not adjust the determination of Valuation Percentage of Merger Shares or Spin-Off Shares if, pursuant to the definition thereof, such Valuation Percentage would be 100%. It is understood and agreed that (i) all determinations made by the Calculation Agent or any Lender pursuant to this Agreement (whether under this Section 1.02(d) or otherwise) or the other Loan Documents will be made in good faith and in a commercially reasonable manner (and, if made in accordance with such standard, and any other applicable standard set forth in the Loan Documents with respect to the determination being made, will be conclusive), (ii) the Calculation Agent (or any Lender) may consult with one or more Lenders or Agents in making such determinations and (iii) the Calculation Agent shall consult on a non-binding basis with Lenders in making determinations with respect to a Potential Adjustment Event arising out of a Share Price Event.

(e) Upon receipt of written request from the Borrower following any determination of adjustments pursuant to Section 1.02(d) or Section 1.02(g) hereof, the Calculation Agent (or, if applicable, the Required Lenders) shall reasonably promptly provide the Borrower with a written explanation describing in reasonable detail any calculation or determination made in determining such adjustments (including any quotations, market data or information from internal sources used in making such calculations, but without disclosing the Calculation Agent's proprietary models or confidential information).

(f) The Borrower hereby acknowledges that (i) it has been advised by counsel in the negotiation, execution and delivery of this Agreement, (ii) no Agent or Lender has any fiduciary relationship with or duty to the Borrower arising out of or in connection with this Agreement, and the relationship between the Borrower, on the one hand, and the Agents and the Lenders, on the other hand, in connection herewith, is solely that of debtor and creditor; and (iii) no joint venture is created hereby or otherwise exists by virtue of the transactions contemplated hereby among the parties hereto.

(g) If, at any time after the Funding Date, the aggregate outstanding principal amount of Liberty Broadband's and its consolidated Subsidiaries' indebtedness for borrowed money exceeds \$[____], the Calculation Agent may reduce, after non-binding consultation with the Borrower to the extent reasonably practical, the LTV Margin Call Level and/or the Maintenance LTV in each case, any such reduction having been calculated in good faith, and in a commercially reasonable and equitable manner as the Calculation Agent determines necessary to preserve for the Lenders and the Borrower the intent of the parties and the fair value and risks in the Loans.

1.03. Accounting Terms.

(a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP, as in effect from time to time, except as otherwise specifically prescribed herein.

(b) Changes in GAAP. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and the Borrower, the Administrative Agent or the Required Lenders shall so request, the Administrative Agent and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP; provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrower shall provide to the Administrative Agent and/or the Lenders, as applicable, financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

1.04. Times of Day.

Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable) in the United States.

1.05. Timing of Payment and Performance.

When the payment of any obligation or the performance of any covenant, duty or obligation is stated to be due or performance required on a day which is not a Business Day, the date of such payment (except as otherwise set forth herein or in any other Loan Document) or performance shall extend to the immediately succeeding Business Day and, in the case of any payment that accrues interest, interest thereon shall be payable for the period of such extension.

1.06. Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person.

1.07. Interest Rates; LIBOR Notification. The London interbank offered rate is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. In July 2017, the U.K. Financial Conduct Authority announced that, after the end of 2021, it would no longer persuade or compel contributing banks to make rate submissions to the ICE Benchmark Administration (together with any successor to the ICE Benchmark Administrator, the "IBA") for purposes of the IBA setting the London interbank offered rate. As a result, it is possible that commencing in 2022, the London interbank offered rate may no longer be available or may no longer be deemed an appropriate reference rate upon which to determine the interest rate on the Loans. In light of this eventuality, public and private sector industry initiatives are currently underway to identify new or alternative reference rates to be used in place of the London interbank offered rate. Section 2.06(c) of this Agreement provides a mechanism for determining an alternative rate of interest. The Administrative Agent will promptly notify the Borrower, pursuant to Section 2.06(c), of any change to the reference rate upon which the interest rate on the Loans is based. However, the Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the London interbank offered rate or other rates in the definition of "LIBOR" or with respect to any alternative or successor rate thereto, or replacement rate thereof (including, without limitation, (i) any such alternative, successor or replacement rate implemented pursuant to Section 2.06(c)(ii) and (ii) the implementation of any alternate rate of interest pursuant to Section 2.06(c)(ii), including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of LIBOR or have the same volume or liquidity as the London interbank offered rate prior to its discontinuance or unavailability.

ARTICLE II

THE LOANS

2.01. The Loans. Subject to the terms and conditions set forth herein, (a) each Initial Loan Lender severally agrees to make an Initial Loan on the Funding Date to the Borrower in a principal amount not exceeding such Lender's Initial Loan Commitment in accordance with the terms hereof, (b) each Revolving Lender severally agrees to make Revolving Loans to the Borrower, at any time and from time to time during the Revolving Availability Period in accordance with the terms hereof in an aggregate principal amount at any time outstanding that will not exceed such Revolving Lender's Revolving Commitment and (c) each Delayed Draw Lender severally agrees to make Delayed Draw Loans to the Borrower, at any time and from time to time, during the Delayed Draw Availability Period for Delayed Draw Loans in accordance with the terms hereof, in each case, in a principal amount that will not exceed such Lender's then outstanding Delayed Draw Commitment. Subject to the terms, conditions and limitations set forth herein, the Borrower may borrow, pay or prepay and reborrow Revolving Loans. The Initial Loan and any Delayed Draw Loan, or any portion thereof, once repaid may not be reborrowed.

2.02. Funding of the Loans.

(a) Each Loan shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their applicable Commitments; provided that, in each case, the failure of any Lender to make its Loan shall not in itself relieve any other Lender of its obligation to lend hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to make any Loan required to be made by such other Lender). Loans comprising any Borrowing shall be in an aggregate principal amount that is (i) an integral multiple of \$1,000,000 and not less than \$5,000,000 or (ii) equal to the remaining available balance of the applicable Commitments.

(b) Each Lender shall make the proceeds of the Loans to be funded by it available to the Administrative Agent who shall either (i) credit the account of the Borrower on the books of the Administrative Agent with the amount of such proceeds or (ii) transfer by wire transfer such proceeds, in each case, in accordance with instructions provided to (and reasonably acceptable to) the Administrative Agent by the Borrower.

(c) To request a Borrowing, the Borrower shall deliver a duly completed and executed Borrowing Request to the Administrative Agent (and the Administrative Agent shall provide such notice to the Initial Loan Lenders or Revolving Lenders, as applicable) (x) in the case of Initial Loans, not later than 12:00 p.m. noon, on the date of the proposed Borrowing (the date of such Borrowing, the "Funding Date") (provided, for the avoidance of doubt, that the Borrowing Request for the Initial Loans may be delivered at any time prior to the Funding Date with the right of the Borrower to subsequently designate such Funding Date; provided, further, that such subsequent designation shall occur no later than 12:00 p.m. on the Funding Date), (y) in the case of Revolving Loans, not later than 11:00 a.m. at least one (1) Business Day prior to the date of the proposed Borrowing (or such shorter period as the

Administrative Agent and the Lenders may agree) and (z) in the case of any Delayed Draw Loans, not later than 2:00 p.m. at least three (3) Business Days (or such shorter period as the Administrative Agent and the Lenders may agree) prior to the date of the proposed Borrowing. Each Borrowing Request shall specify the following information in compliance with this Section 2.02:

- (i) that the requested Borrowing is to be a Borrowing of Initial Loans, Revolving Loans or Delayed Draw Loans;
- (ii) the aggregate amount of such Borrowing;
- (iii) the date of such Borrowing, which shall be a Business Day;
- (iv) the location and number of the applicable Borrower's account to which funds are to be disbursed; and

(v) that the conditions set forth in Section 4.01 (solely in the case of the Initial Loans) and Sections 4.02(b) through (e) have been satisfied as of the date of the notice;

provided that a Borrowing Request may state that such request is conditioned upon the effectiveness of certain events, in which case such notice may be revoked by Borrower (by notice to Administrative Agent on or prior to the specified date of such Borrowing) if such conditions are not satisfied.

(d) Unless otherwise agreed by the Administrative Agent, there shall be no more than five (5) Interest Periods outstanding hereunder at any time.

2.03. Repayment of the Loans. The Borrower shall repay to the Administrative Agent on the applicable Maturity Date for each Type of Loan, for the ratable account of the Lenders of such Loan, the aggregate principal amount of such Type of Loan outstanding on such date together with all accrued interest thereon. Subject to Section 2.11(j), the Administrative Agent shall forward to each such Lender its Ratable Share of each such payment of the relevant Type of Loan being paid.

2.04. Voluntary Prepayments.

The Borrower may, upon notice (which notice may be in the form attached as Exhibit H-2 hereto or any other form approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent, such approval not to be unreasonably withheld, conditioned or delayed), appropriately completed and signed by a Responsible Officer) to the Administrative Agent (a "Voluntary Prepayment Notice"), at any time or from time to time, voluntarily prepay the Initial Loans, the Delayed Draw Loans and/or the Revolving Loans in whole or in part (a "Voluntary Prepayment") in an amount equal to the sum of (x) the aggregate principal amount of such Loans being prepaid, (y) in the case of a prepayment of Delayed Draw Loans, the

applicable Prepayment Amount, if any, for such Delayed Draw Loans being prepaid and (z) other than with respect to the prepayment of Initial Loans contemplated in Section 4.02(k), all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.04; provided that, (1) (A) prior to the expiration of the Prepayment Date, no prepayment of Initial Loans shall be permitted if there are any Revolving Loans or Delayed Draw Loans outstanding (after giving effect to any concurrent repayment of such Revolving Loans and/or Delayed Draw Loans, as applicable); for the avoidance of doubt, Revolving Loans may be prepaid at any time notwithstanding any Delayed Draw Loans that remain outstanding on the date of such prepayment, and (2) except with respect to any prepayments made pursuant to Section 2.09(a), (i) such Voluntary Prepayment Notice must be received by the Administrative Agent not later than 12:00 p.m., two (2) Business Days prior to any date of prepayment (or such shorter period as the Administrative Agent and the Lenders may agree) and (ii) any prepayment shall be either (A) in an aggregate principal amount of at least \$5,000,000 and a whole multiple of \$1,000,000 in excess thereof or (B) the entire principal amount of such Type of Loans then outstanding and being prepaid. Each such Voluntary Prepayment Notice shall specify the date of such prepayment, the amount of principal being prepaid and whether the Loans being prepaid are Initial Loans, Delayed Draw Loans and/or Revolving Loans and, in the case of Delayed Draw Loans, the applicable Prepayment Amount, if any, determined with respect to such Delayed Draw Loans, as set forth in the definition thereof. The Borrower shall make such prepayment together with all accrued interest thereon and the related Prepayment Amount, if any, and any additional amounts required pursuant to Section 3.04 on the date specified in such Voluntary Prepayment Notice, and all such amounts shall be due and payable on such date; provided that a Voluntary Prepayment Notice delivered by Borrower may state that such notice is conditioned upon the effectiveness of certain events, including, without limitation, the closing of other credit facilities, in which case such notice may be revoked by Borrower (by notice to Administrative Agent on or prior to the specified effective date) if such conditions are not satisfied. Subject to Section 2.11(j), any Voluntary Prepayment described in this Section 2.04 shall be made to the Administrative Agent for the ratable accounts of the applicable Lenders of the Type or Types of Loans being prepaid. The Administrative Agent shall forward to each Lender its Ratable Share of each such payment with respect to the relevant Type of Loans being prepaid.

2.05. Mandatory Prepayments.

(a) On the first Business Day following the delivery of a Mandatory Prepayment Notice from the Calculation Agent to the Borrower stating that a Mandatory Prepayment Event has occurred (which need not be continuing) (provided that, subject to the last sentence of Section 2.05(b), if the Calculation Agent fails to deliver such Mandatory Prepayment Notice by 5:30 p.m. on the date the relevant Mandatory Prepayment Event occurs, any Lender may deliver or cause to be delivered the Mandatory Prepayment Notice in respect of such Mandatory Prepayment Event to the Borrower (with a copy thereof to each other Lender and Agent) with the same effect as if such Mandatory Prepayment Notice was delivered by the Calculation Agent; provided, further, that any failure to so deliver a copy of a Mandatory Prepayment Notice to any Lender or Agent shall not invalidate the effectiveness of such Mandatory Prepayment Notice) the Borrower shall prepay the aggregate outstanding principal amount of the Loans, together with all accrued interest thereon and shall pay any additional amounts required pursuant to Section 3.04 and any applicable Prepayment Amount, and all other Obligations (other than contingent obligations for which no claim has been made).

(b) For purposes of the delivery and receipt of any Mandatory Prepayment Notice (including under Section 10.02), (i) Borrower consents to the delivery of such Mandatory Prepayment Notice by electronic communications and (ii) Borrower's "normal business hours" shall be 9:00 a.m. to 6:00 p.m., each Business Day. Notwithstanding anything to the contrary contained herein, in the event that a Mandatory Prepayment Event occurs following any Potential Adjustment Event, Issuer Merger Event or Spin-Off Event, then the Calculation Agent and the Lenders agree not to send a Mandatory Prepayment Notice until such time as Calculation Agent has made its (or, subject to the terms and conditions of the proviso to this sentence, the Required Lenders have made their) determination as to the appropriate adjustments, if any, to be made to (i) the Minimum Price, (ii) the LTV Margin Call Level and/or (iii) the Maintenance LTV, in each case, in accordance with and subject to the provisions of Section 1.02(d); provided that, if the Calculation Agent fails to make its determination with respect to such adjustments by 5:30 p.m. on the date the relevant Mandatory Prepayment Event occurs, the Required Lenders (provided that the outstanding Loans held by, and unused Commitments of, the Calculation Agent and its Affiliates shall be excluded for purposes of making such determination of Required Lenders) may make such adjustments, if any, in each case, in accordance with and subject to the provisions of Section 1.02(d), with the same effect as if they were made by the Calculation Agent.

(c) If for any reason the aggregate outstanding principal amount of all Revolving Loans at any time exceeds the aggregate Revolving Commitments at such time, Borrower shall immediately prepay the Revolving Loans in an aggregate principal amount equal to such excess after notice thereof from the Administrative Agent or any Lender. Each such payment shall be paid to the Administrative Agent for the account of the Revolving Lenders in accordance with their respective Applicable Percentages solely in respect of the Revolving Loans.

(d) Any prepayment described in subsection (a) of this Section 2.05 shall be made to the Administrative Agent for the ratable accounts of the Lenders, and each prepayment described in subsection (c) shall be made for the ratable accounts of the Revolving Lenders. The Administrative Agent shall forward to each Lender its Ratable Share of each such payment.

2.06. Interest and Fees.

(a) Ordinary Interest.

(i) The Loans shall bear interest on the outstanding principal amount thereof for each Interest Period from the first day of such period to the last day thereof at a rate per annum equal to the applicable Floating Rate for such Interest Period. Subject to Section 2.06(a)(ii) and Section 2.09(f)(i), accrued interest shall be payable by the Borrower in cash in arrears on each Interest Payment Date. The Administrative Agent shall promptly notify the Borrower and the Lenders of the interest rate applicable to any Interest Period for the Loans upon determination of such interest rate.

(ii) At the Borrower's election, interest may be payable entirely as PIK Interest. If the Borrower has delivered a PIK Interest Election Notice in accordance with the terms of this Section 2.06(a)(ii), on the applicable Interest Payment Date, all accrued and unpaid interest shall be added to the principal amount of the Loans and shall, thereafter, be deemed an extension of additional Loans pursuant to the terms of, and subject to, the Loan Documents. PIK Interest shall be allocated ratably to the principal amounts of the Loans of each Lender in accordance with the Ratable Share of the Loans of such Lender. Unless the context otherwise requires, for all purposes hereof, references to "principal amount" of Loans refers to the original face amount of the Loans plus any increase in the principal amount of the outstanding Loans as a result of payments of PIK Interest. The entire unpaid balance of all PIK Interest with respect to each Loan shall be immediately due and payable in full in immediately available funds on the Maturity Date for such Loan. Unless Borrower delivers a PIK Interest Election Notice to the Administrative Agent at least three (3) Business Days prior to an Interest Payment Date (or such shorter period as the Administrative Agent may agree), Borrower will be deemed to have elected for each Interest Period, to make interest payments in cash as set forth in Section 2.06(a)(i). Notwithstanding anything to the contrary herein, the addition of PIK Interest to the aggregate principal amount of the Loans shall not result in a reduction of the aggregate principal amount of unused Commitments thereunder.

(b) (i) With the exception of any accrued and unpaid interest that is applied to increase the aggregate principal amount on the Loans pursuant to Section 2.06(a)(ii), if any amount due and payable by the Borrower under any Loan Document is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, to the fullest extent permitted by applicable Laws, such amount shall thereafter bear interest at a rate per annum equal to the sum of (x) the Floating Rate applicable to such amount and (y) 2.0% for each day until such amount and any interest thereon is paid in full.

(ii) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Alternate Rate of Interest.

(i) If prior to the commencement of any Interest Period for a LIBOR Borrowing:

(A) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining LIBOR (including because the Screen Rate is not available or published on a current basis), for such Interest Period; or

(B) the Administrative Agent is advised by the Required Lenders that LIBOR for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone, telecopy or electronic mail 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, any Borrowing of Loans shall be made as a Borrowing of Base Rate Loans.

(ii) If at any time the Administrative Agent determines (which determination shall be conclusive absent manifest error) that (A) the circumstances set forth in clause (c)(i) have arisen and such circumstances are unlikely to be temporary or (B) the circumstances set forth in clause (c)(i) have not arisen but (I) the supervisor for the administrator of the Screen Rate has made a public statement that the administrator of the Screen Rate is insolvent (and there is no successor administrator that will continue publication of the Screen Rate), (II) the administrator of the Screen Rate has made a public statement identifying a specific date after which the Screen Rate will permanently or indefinitely cease to be published by it (and there is no successor administrator that will continue publication of the Screen Rate), (III) the supervisor for the administrator of the Screen Rate has made a public statement identifying a specific date after which the Screen Rate will permanently or indefinitely cease to be published, which date is prior to the latest Maturity Date then in effect, or (IV) the supervisor for the administrator of the Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which the Screen Rate may no longer be used for determining interest rates for loans, which date is prior to the latest Maturity Date then in effect, then the Administrative Agent and the Borrower shall endeavor to establish an alternate rate of interest to LIBOR that gives due consideration to the then prevailing market convention for determining a rate of interest for syndicated loans in the United States at such time, and the Administrative Agent and the Borrower shall

enter into an amendment to this Agreement to reflect such alternate rate of interest and such other related changes to this Agreement as may be applicable; provided that, if such alternate rate of interest as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement. Notwithstanding anything to the contrary in Section 10.01, such amendment shall become effective without any further action or consent of any other party to this Agreement so long as the Administrative Agent shall not have received, within five (5) Business Days of the date notice of such alternate rate of interest is provided to the Lenders, a written notice from the Required Lenders stating that such Required Lenders object to such amendment. Until an alternate rate of interest shall be determined in accordance with this clause (ii) (but, in the case of the circumstances described in clause (B) of the first sentence of this Section 2.06(c)(ii) (other than clause IV thereof), only to the extent the Screen Rate for such Interest Period is not available or published at such time on a current basis), any Borrowing of Loans shall be made as a Borrowing of Base Rate Loans.

(d) Except as expressly provided herein, interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

(e) Commitment Fee. The Borrower agrees to pay, on the Initial Loan Commitment Termination Date, to the Administrative Agent, for the benefit of each Lender with an Initial Loan Commitment on the Closing Date, a commitment fee (the "Commitment Fee") equal to the product of (A) the Commitment Fee Rate (as defined below) multiplied by (B) the aggregate principal amount of the Initial Loan Commitments as of the Closing Date multiplied by (C) a fraction, the numerator of which is the number of days elapsed from and including the Closing Date to the Initial Loan Commitment Termination Date, and the denominator of which is 360. The Commitment Fee Rate means (x) from the Closing Date until the date that is the earlier of (A) the Initial Loan Commitment Termination Date and (B) the 30th day after the Closing Date, [_____]%, (ii) from the 31st day after the Closing Date until the date that is the earlier of (A) the Initial Loan Commitment Termination Date and (B) April 4, 2018, [_____]%, and (iii) from April 5, 2018 through the Initial Loan Commitment Termination Date, [_____]%. The Commitment Fee is due and payable in full on the Initial Loan Commitment Termination Date, shall be fully earned when paid and be nonrefundable for any reason whatsoever and, in the Borrower's sole discretion, may be netted from the proceeds of the Initial Loans. The Administrative Agent shall forward to each Lender its Applicable Percentage of such payment.

(f) Revolving Loan Commitment Fee. The Borrower agrees to pay to the Administrative Agent for the benefit of each Revolving Lender a commitment fee (the "Revolving Loan Commitment Fee") equal to [_____]% ([_____] basis points) per annum on the daily unused amount of each Revolving Commitment of such Revolving Lender during the period from and including the Amendment No. 1 Effective Date to but excluding the earlier to occur of (x) the expiration of the Revolving Availability Period and (y) the date on which such Revolving Commitment terminates. Accrued Revolving Loan Commitment Fees shall

be payable in arrears (i) on each Interest Payment Date and (ii) on the date the Revolving Commitment expires or terminates. Revolving Loan Commitment Fees shall be computed on the basis of a 360-day year and actual days elapsed (including on the first day but excluding the last day). The Administrative Agent shall forward to each Revolving Lender its Applicable Percentage of such payment.

(g) Upfront Fee. The Borrower shall pay an upfront fee (the "Upfront Fee") to the Administrative Agent for the benefit of each Initial Loan Lender in an amount equal to [_____] % of the aggregate principal amount of the Initial Loan Commitments in effect on the Closing Date prior to any funding. The Upfront Fee is due and payable in full on the Initial Loan Commitment Termination Date and shall be fully earned when paid and be nonrefundable for any reason whatsoever. The Administrative Agent shall forward to each Lender its Applicable Percentage of such payment. The Upfront Fee may be paid as an original issue discount and netted from the proceeds of the Initial Loans.

(h) Delayed Draw Loan Commitment Fee. The Borrower agrees to pay to the Administrative Agent for the benefit of each Delayed Draw Lender a commitment fee (the "Delayed Draw Loan Commitment Fee") equal to [_____] % ([__] basis points) per annum on the daily unused amount of each Delayed Draw Commitment of such Delayed Draw Lender during the period from and including the Amendment No. 2 Effective Date to but excluding the earlier to occur of (x) the expiration of the Delayed Draw Availability Period and (y) the date on which such Delayed Draw Commitment expires or terminates. Accrued Delayed Draw Loan Commitment Fees shall be payable in arrears (i) on each Interest Payment Date and (ii) on the date on the Delayed Draw Commitment expires or terminates. Delayed Draw Loan Commitment Fees shall be computed on the basis of a 360-day year and actual days elapsed (including on the first day but excluding the last day). The Administrative Agent shall forward to each Delayed Draw Lender its Applicable Percentage of such payment.

2.07. Computations. All computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year); provided that all computations of interest for Base Rate Loans (including Base Rate Loans determined by reference to LIBOR) shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. Interest shall accrue on the Loans for the day on which the Loans are made, and shall not accrue on the Loans, or any portion thereof, for the day on which the Loan or such portion is paid; provided that if the Loans are repaid on the same day on which it is made, the Loans shall, subject to Section 2.11(a), bear interest for one day. Each determination by the Administrative Agent of an interest rate hereunder, shall be conclusive and binding for all purposes, absent manifest error. Any Interest Period stated to end on a day numerically corresponding to a given day in a specified month thereafter shall, if there is no corresponding day, end on the last Business Day of such month.

2.08. Termination of Commitments.

(a) The Initial Loan Commitments shall automatically terminate upon the occurrence of the Initial Loan Commitment Termination Date. The Initial Loan Commitments

of each Lender shall be reduced, dollar for dollar, by the amount of each Initial Loan made by such Lender. Subject to Section 2.08(b) below, the Revolving Commitments shall automatically terminate at the end of the Revolving Availability Period. Subject to Section 2.08(b) below, the Delayed Draw Commitments shall automatically terminate at 5:00 p.m. on the last Business Day of the Delayed Draw Availability Period; provided that such termination shall not occur if the failure to fund within the Delayed Draw Availability Period results solely from the action or inaction of the Administrative Agent or the Lenders in violation of the terms of this Agreement. The Delayed Draw Commitments of each Lender shall be reduced, dollar for dollar, by the amount of each Delayed Draw Loan made by such Lender. Subject to the provisions of Section 2.05(b), the Commitments of each Lender shall automatically and permanently be reduced to zero upon the delivery of a Mandatory Prepayment Notice.

(b) The Borrower may, upon notice to the Administrative Agent, terminate any unused Commitments, or from time to time permanently reduce any unused Commitments; provided that (i) any such notice shall be received by the Administrative Agent not later than 12:00 p.m. two (2) Business Days prior to the date of termination or partial reduction (or such shorter period as the Administrative Agent may agree), and (ii) any such partial reduction shall be in an aggregate amount of \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof or, if less, the principal amount of the unused Commitments being terminated or permanently reduced. Subject to Section 2.11(j), any reduction of Commitments shall be applied, at the Borrower's election, to the Delayed Draw Commitments and/or the Revolving Commitments of each Lender ratably, according to the Delayed Draw Commitments and/or Revolving Commitments, as applicable, held by each Lender. All fees accrued with respect to such Commitments until the effective date of any termination or reduction of such Commitments shall be paid on the effective date of such termination or reduction of such Commitments.

2.09. LTV Maintenance; LTV Notice.

(a) If, upon the close of business on any Scheduled Trading Day, the Calculation Agent determines that the LTV Ratio exceeds the LTV Margin Call Level (a "Collateral Shortfall"), the Calculation Agent shall deliver, subject to the last sentence of this Section 2.09(a), a Collateral Shortfall Notice to the Borrower; provided that, subject to the last sentence of this Section 2.09(a), if the Calculation Agent has failed to deliver such Collateral Shortfall Notice by 5:30 p.m. on the date on which such Collateral Shortfall occurs, if any Lender determines that a Collateral Shortfall has occurred, such Lender may (subject to the last sentence of this Section 2.09(a)) deliver or cause to be delivered a Collateral Shortfall Notice to the Borrower (with a copy thereof to each other Lender and Agent) with the same effect as if such Collateral Shortfall Notice had been delivered by the Calculation Agent; provided, further, that any failure to so deliver a copy of a Collateral Shortfall Notice to any Lender or Agent shall not invalidate the effectiveness of such Collateral Shortfall Notice. The Borrower shall:

(i) no later than 2:00 p.m. on the first Business Day following delivery of a Collateral Shortfall Notice in accordance with the provisions of this Section 2.09(a) (the Business Day of such delivery of such Collateral Shortfall Notice,

a “Collateral Shortfall Notice Day”) inform the Calculation Agent (or such Lender, as applicable) that it intends to satisfy such Collateral Shortfall Notice; provided that it is understood and agreed that so long as the Borrower otherwise complies with clause (ii) (B) below, any failure of the Borrower to timely inform the Calculation Agent (or, if a Lender delivered such Collateral Shortfall Notice, such Lender) that it intends to satisfy such Collateral Shortfall Notice as required in this clause (i) shall not result in a Default or Event of Default;

(ii) if the Borrower intends to satisfy any portion of the Collateral Shortfall by voluntarily prepaying the Loans as provided in Section 2.04 and/or causing Cash or Cash Equivalents that will constitute Eligible Cash Collateral (which, in either case, may include the application of proceeds of Permitted Affiliate Loans or amounts repaid under Permitted Affiliate Investments) upon such delivery to be delivered to the Collateral Account of each Applicable Lender, then (A) no later than Noon on the second Business Day following a Collateral Shortfall Notice Day, provide the Calculation Agent (or, if a Lender delivered such Collateral Shortfall Notice, such Lender) with SWIFT or Fedwire instructions for delivery of the applicable funds for delivery contemplated in the following clause (B); provided that it is understood and agreed that so long as the Borrower otherwise complies with the following clause (B), any failure of the Borrower to timely provide the Calculation Agent (or, if a Lender delivered such Collateral Shortfall Notice, such Lender) with SWIFT or Fedwire instructions as required in this clause (A) shall not result in a Default or Event of Default, and (B) no later than 4:00 p.m. on the second Business Day after a Collateral Shortfall Notice Day, (1) voluntarily prepay the Loans as provided in Section 2.04 (including payment of all accrued and unpaid interest on the Loans so prepaid, amounts owing under Section 3.04 and any applicable Prepayment Amount) and/or (2) cause Cash or Cash Equivalents, that will constitute Eligible Cash Collateral upon such delivery, to be delivered to the Collateral Account of each Applicable Lender in accordance with Section 3 of the Security Agreement, in an amount sufficient (when combined with the amounts, if any, to be delivered in accordance with clause (iii) below) to reduce the LTV Ratio to be equal to or less than the Maintenance LTV, as of the date of payment and/or delivery, all as determined by the Calculation Agent (or, if a Lender delivered such Collateral Shortfall Notice, such Lender); and

(iii) if the Borrower intends to satisfy all or any portion of the Collateral Shortfall by selling Pledged Shares, then no later than 4:00 p.m. on the second Business Day after a Collateral Shortfall Notice Day, the Borrower shall execute a sale (an “Exchange Sale”) for a number of Pledged Shares pursuant to documentation or other arrangements that provide for payment of the net cash proceeds of such Exchange Sale directly into the Collateral Accounts as a voluntary prepayment of the Loans (including payment of all accrued and unpaid interest on the Loans so prepaid, amounts owing under Section 3.04 and any applicable Prepayment Amount) on a delivery-versus-payment basis against the delivery of such Pledged Shares from the Collateral Accounts on the applicable settlement date (which shall be no later than the second (2nd) Exchange Day after such sale is executed (such day, the “Exchange Sale”

Settlement Deadline”) using a broker acceptable to the Calculation Agent (or, if a Lender delivered such Collateral Shortfall Notice, such Lender) for such sale; it being understood and agreed that (A) a broker that is an Affiliate of any Lender shall be deemed to be acceptable to the Calculation Agent (or such Lender, as applicable), (B) the Calculation Agent (or such Lender, as applicable) shall not unreasonably withhold its consent to use of a broker that is a nationally recognized top tier broker that is a leading dealer in securities of the applicable Issuer, and (C) the terms of such sale shall require the applicable broker to act in accordance with customary market standards consistent with its obligation as a broker to obtain the best execution for its customers) such that (when combined with the amounts, if any, to be delivered in accordance with clause (ii)(B) above), (1) upon the closing of such sale or sales and (2) delivery of the net cash proceeds of such Exchange Sale to the Applicable Lenders (allocated among the Applicable Lenders based upon their Ratable Shares of the Pledged Shares so sold) in accordance with Section 3 of the Security Agreement as a voluntary prepayment of Loans (including payment of all accrued and unpaid interest on the Loans so prepaid, amounts owing under Section 3.04 and any applicable Prepayment Amount), the LTV Ratio shall be equal to or less than the Maintenance LTV, calculated based on the lesser of the Market Reference Price (x) as of the Collateral Shortfall Notice Day and (y) as of the date of payment, as determined by the Calculation Agent (or, if a Lender delivered such Collateral Shortfall Notice, such Lender); provided that (I) if such transaction does not settle by 4:00 p.m. on the applicable Exchange Sale Settlement Deadline, the Borrower shall either voluntarily prepay the Loans (including payment of all accrued and unpaid interest on the Loans so prepaid, amounts owing under Section 3.04 and any applicable Prepayment Amount) or cause Cash and/or Cash Equivalents that will constitute Eligible Cash Collateral upon such delivery to be delivered to the Collateral Account of each Applicable Lender in accordance with Section 3 of the Security Agreement by 5:00 p.m. on such Exchange Sale Settlement Deadline, in an amount sufficient to reduce the LTV Ratio to be equal to or less than the Maintenance LTV when calculated in accordance with the foregoing, and (II) if the LTV Ratio exceeds the Maintenance LTV, calculated based on the lesser of the Market Reference Price (x) as of such Collateral Shortfall Notice Day and (y) as of the date of payment and after giving effect to the delivery of any net cash proceeds of Exchange Sale and any such prepayment of the Loans or delivery of Eligible Cash Collateral, as determined by the Calculation Agent (or, if a Lender delivered such Collateral Shortfall Notice, such Lender), an Event of Default shall exist. Notwithstanding the foregoing, the Borrower shall not make any Exchange Sale with respect to any Pledged Shares at any time that the Borrower possesses any material Non-public Information in respect of the Issuer of such Pledged Shares.

For purposes of delivery and receipt of any Collateral Shortfall Notice and Section 10.02 with respect to any such Collateral Shortfall Notice, (i) the Borrower consents to the delivery of such Collateral Shortfall Notice by electronic communications and (ii) the Borrower's "normal business hours" shall be 9:00 a.m. to 6:00 p.m. each Business Day. Notwithstanding anything to the contrary contained herein, in the event that the LTV Ratio exceeds the LTV Margin Call Level, as determined by the Calculation Agent or a Lender in accordance with this Section 2.09(a), as applicable, following a Share Price Event, a Potential Adjustment Event of the type described in clauses (a) or (c) thereof, a Spin-Off Event or an Issuer Merger Event, then the Calculation Agent and the Lenders agree not to send a Collateral Shortfall Notice until such time as the Calculation Agent has made its (or, subject to the terms and conditions of the proviso to this sentence, the Required Lenders have made their) determination as to the appropriate adjustments, to be made to (i) the Minimum Price, (ii) the LTV Margin Call Level, (iii) the Maintenance LTV and/or (iv) any other term or provision of this Agreement as the same relates to the applicable Shares, in each case, in accordance with and subject to the provisions of Sections 1.02(d) and (e); provided that, if the Calculation Agent fails to make its determination with respect to such adjustments by 5:30 p.m. on such Collateral Shortfall Notice Day (determined assuming the Calculation Agent had delivered such Collateral Shortfall Notice on the date on which such Collateral Shortfall occurs), the Required Lenders (provided that the outstanding Loans held by, and unused Commitments of, the Calculation Agent and its Affiliates shall be excluded for purposes of making such determination of Required Lenders) may make such appropriate adjustments in each case, in accordance with and subject to the provisions of Sections 1.02(d) and (e) with the same effect as if they were made by the Calculation Agent.

(b) Upon the reasonable request of the Borrower, the Calculation Agent shall notify the Borrower of the LTV Ratio, as determined in accordance with the definition of Market Reference Price within one (1) Scheduled Trading Day after the date of such request; provided, however, that if such request is made by the Borrower in connection with the delivery of a Collateral Shortfall Notice, then the Calculation Agent (or, if a Lender delivered such Collateral Shortfall Notice, such Lender) shall notify the Borrower of the LTV Ratio, as determined in accordance with the definition of Market Reference Price on such Collateral Shortfall Notice Day.

(c) If, following the announcement (whether by an Issuer or any relevant third party) of (i) a Spin-Off Event or (ii) a firm intention to engage in a transaction (whether or not subsequently amended) that, if completed, would reasonably be expected to lead to an Issuer Merger Event, the Calculation Agent reasonably determines, following non-binding consultation with the Borrower during the same consultation period described in the definition of "Valuation Percentage", that the securities or any other property that would be distributed to the holders of shares constituting the Pledged Shares, in connection with such announced Issuer Merger Event or Spin-Off Event, as the case may be, would not meet the criteria for a Valuation Percentage of 100% set forth in the proviso to the definition of "Valuation Percentage", and in connection with the completion of such distribution, the Borrower would be required, pursuant to Section 2.09(a), to deliver any additional Cash or Cash Equivalents that will constitute Eligible Cash Collateral (based on the applicable Valuation Percentage reasonably determined by the Calculation Agent for purposes of determining the Collateral Value with respect to such Merger Shares or Spin-Off Shares, as the case may be, as set forth in the definition of Valuation Percentage and any other adjustments to be made pursuant to Section 1.02(d)), then the Calculation Agent shall determine the amount of Cash and/or Cash

Equivalents that will constitute Eligible Cash Collateral upon such delivery to be delivered to the Collateral Account of each Applicable Lender in accordance with Section 3 of the Security Agreement for the LTV Ratio not to exceed the LTV Margin Call Level as a result of such distribution (the “LTV Event Amount”).

Within one (1) Business Day after the Calculation Agent determines the LTV Event Amount, which determination shall occur not more than eight (8) Business Days prior to the date on which such a distribution is scheduled to occur (or such shorter

period of time if the scheduled distribution is less than eight (8) Business Days following the public announcement), the Calculation Agent shall deliver a notice to the Borrower setting forth the LTV Event Amount. No later than 4:00 p.m. on the earlier to occur of the (i) third Business Day after delivery of such notice and (ii) the date of such distribution, the Borrower shall cause Cash and/or Cash Equivalents that will constitute Eligible Cash Collateral upon such delivery to be delivered to the Collateral Account of each Applicable Lender in accordance with Section 3 of the Security Agreement, in an amount equal to the LTV Event Amount. With effect from such delivery of the LTV Event Amount, the Calculation Agent shall adjust the Collateral Value in its commercially reasonable sole discretion to give effect to the foregoing determinations, with such adjustment terminating upon the earliest to occur of (i) the determination of a Valuation Percentage with respect to such securities upon their distribution and (ii) the announcement by any Issuer or relevant third party of the withdrawal or abandonment of such Issuer Merger Event or Spin-Off Event, as the case may be (it being understood that the withdrawal or abandonment of any such Issuer Merger Event or Spin-Off Event, as the case may be, does not preclude the occurrence of another Issuer Merger Event or Spin-Off Event).

If, following the delivery of Eligible Cash Collateral in the requisite LTV Event Amount, any Issuer or relevant third party announces the withdrawal or abandonment of such Issuer Merger Event or Spin-Off Event, or the Calculation Agent determines following consummation of such Issuer Merger Event or Spin-Off Event that the Valuation Percentage is greater than initially determined for purposes of calculating the LTV Event Amount, then, upon receipt of a written request therefor from the Borrower, the Calculation Agent shall promptly originate an instruction or entitlement order to the Custodian directing the release and transfer of any applicable Collateral constituting the LTV Event Amount from the Collateral Account of each Applicable Lender to the Borrower (or the Borrower's designee) such that the LTV Ratio does not exceed the LTV Margin Call Level as calculated by the Calculation Agent to correspond to the revised Valuation Percentage (provided that the Borrower may elect to maintain in the Collateral Account all or any portion of such LTV Event Amount permitted to be so released). Notwithstanding the foregoing, prior to the Calculation Agent sending notice of an LTV Event Amount, the Calculation Agent shall make all other adjustments pursuant to Section 1.02(d) hereof and any LTV Event Amount shall be calculated based on such adjustments.

(d) The Borrower may not withdraw any Collateral from the Collateral Accounts, except (i) in accordance with clauses (c), (e), (f) and (h) of this Section 2.09, (ii) with the prior written consent of each Lender or (iii) in connection with a Disposition of Pledged Shares held in the Collateral Accounts as permitted under Section 7.04 and Section 7.07; provided that, at the time of any withdrawal of Collateral pursuant to clause (e) of this Section 2.09, in the event the Collateral consists of Shares (other than Spin-Off Shares) and Spin-Off Shares, the Calculation Agent may, in an equitable manner as the Calculation Agent determines necessary to preserve for the Lenders and the Borrower the intent of the parties and the fair economic value and risks in the Loans before giving effect to the Spin-Off Event relating to such Spin-Off Shares, after non-binding consultation with the Borrower, determine the required ratio of the value (determined based on the Market Reference Price) of the Shares

of the relevant Issuer relating to such Spin-Off Event constituting Collateral to the value (determined based on the Market Reference Price) of the Spin-Off Shares relating to such Spin-Off Event constituting Collateral, in each case, after giving effect to such withdrawal, to be withdrawn; provided, further, that, in the event such ratio results in the value (determined based on the Market Reference Price) of the Shares issued by a particular Issuer constituting [_____] % or more of the value (determined based on the Market Reference Price) of the Collateral consisting of Pledged Shares remaining after giving effect to such withdrawal, then the Borrower may elect to include Shares issued by such Issuer in the Collateral in a percentage in excess of [_____] % of the value (determined based on the Market Reference Price) of the Collateral consisting of Pledged Shares, and other Shares not issued by such Issuer shall be permitted to be released to the extent otherwise permitted under clause (e) of this Section 2.09.

(e) Collateral shall be released from the Liens created under the Collateral Documents as follows:

(i) the Calculation Agent and each Applicable Lender shall have received a written notice from the Borrower requesting a release of such Collateral on the date specified therein (which date shall be no earlier than the Business Day immediately following the first Business Day on which the Calculation Agent and the Applicable Lenders have received such notice by 1:00 p.m. (or such shorter period as the Calculation Agent and the Applicable Lenders may agree)), including the amount and type of Collateral requested to be released;

(ii) after giving effect to such release and any other release otherwise requested or effected pursuant to this Section 2.09(e) and any Disposition pursuant to Section 7.04, the LTV Ratio would be equal to or less than the Initial LTV Level;

(iii) no Event of Default shall exist or would occur immediately after giving effect to such release; and

(iv) on the date of such release, (x) the Borrower is not required to make any prepayment and/or provide additional Collateral under Section 2.05 or Section 2.09(a) that have not been made or provided prior to or substantially concurrently with such release (and will not be required to take any such action as a result of the proposed release, except to the extent taken prior to or substantially concurrently with such release) and (y) no Mandatory Prepayment Event shall exist.

Any such notice delivered pursuant to the immediately preceding clause (i) shall contain a representation and warranty by the Borrower to the items set forth in the immediately preceding clauses (ii) and (iii). Upon satisfaction of the conditions set forth in this Section 2.09(e), the Calculation Agent shall be permitted, without the consent of the Lenders (but the Calculation Agent shall give each Applicable Lender prompt notice thereof), and hereby agrees, on the date specified in such written notice of the Borrower (which date shall be no earlier than the Business Day immediately following the first Business Day on which the Calculation Agent and the Applicable Lenders have received such notice by 1:00 p.m. (or such

shorter period as the Calculation Agent and the Applicable Lenders may agree)), to release such Collateral from the Liens created under the Collateral Documents and send written directions to the Custodian, as provided and in accordance with the Collateral Account Control Agreement, to transfer such Collateral to an account or accounts as directed by the Borrower in such written notice; provided, however, upon receiving written notice from the Borrower pursuant to Section 2.09(e)(i), if any Applicable Lender acting in a commercially reasonable manner disputes in good faith that the conditions set forth in Section 2.09(e) have been satisfied and subsequently notifies the Calculation Agent of such dispute prior to release, then absent manifest error on behalf of such Applicable Lender, the Calculation Agent shall not release such Lender's Collateral from Liens under the Collateral Documents; provided, further, that (x) prior to the funding of the Initial Loans, Collateral will be required to be retained in the Collateral Account sufficient to satisfy the Upfront Fees and Commitment Fees due and owing on the Initial Loan Commitment Termination Date (in each case, determined as if Initial Loans, in an aggregate principal amount equal to the aggregate principal amount of the Initial Loan Commitments in effect on the Closing Date, had been made on the Initial Loan Commitment Termination Date), (y) any Shares that are so released shall cease to constitute Eligible Pledged Shares at all times thereafter and (z) the release of Collateral pursuant to Section 2.09(f) shall not be subject to the requirements of this Section 2.09(e). Collateral of the type requested to be released by the Borrower shall be released from any Lien created under the Collateral Documents (A) on a ratable basis among the Applicable Lenders in accordance with their respective Ratable Shares of the amount and type of Collateral being released and (B) in an aggregate amount equal to the lowest of (I) the amount of Collateral requested to be released by the Borrower in such written notice, (II) an amount of Collateral with a value such that, after giving effect to such release and any other release otherwise requested or effected pursuant to this Section 2.09(e) and any Disposition pursuant to Section 7.04, the LTV Ratio would not be greater than the Initial LTV Level and (III) the aggregate amount of such type of Collateral requested to be released by the Borrower held in the Collateral Accounts.

Notwithstanding anything to the contrary contained herein, in the case of an Issuer 251(g) Merger Event, Issuer Merger Event, Issuer Tender to Merger Event or in connection with a sale of Pledged Shares made in accordance with Section 2.09(a)(iii), (i) upon receipt of a written request therefor from the Borrower, the Calculation Agent shall (and may, without the consent of any Lender) promptly originate an instruction or entitlement order to the Custodian directing the release and transfer of any Pledged Shares subject to such Issuer 251(g) Merger Event, Issuer Merger Event, Issuer Tender to Merger Event (but excluding any Pledged Shares received as consideration by the Borrower in connection with any such Issuer 251(g) Merger Event, Issuer Merger Event or Issuer Tender to Merger Event) or sale of Pledged Shares made in accordance with Section 2.09(a)(iii) upon or following the occurrence of such Issuer 251(g) Merger Event, Issuer Merger Event, Issuer Tender to Merger Event, or sale under Section 2.09(a)(iii), regardless of whether the conditions to release of Collateral set forth in this Section 2.09(e) are otherwise met, (ii) to the extent it is necessary for the Calculation Agent or any Applicable Lender to take action under the Collateral Documents to cause the Pledged Shares subject to such Issuer 251(g) Merger Event, Issuer Merger Event, Issuer Tender to Merger Event or sale under Section 2.09(a)(iii) to cease to be Pledged Shares upon the occurrence of such Issuer 251(g) Merger Event, Issuer Merger Event, Issuer Tender to Merger

Event or such sale, then the Calculation Agent or such Applicable Lender shall take such action (and each Secured Party authorizes the taking of such actions by the Calculation Agent and such Applicable Lender), and (iii) to the extent it is necessary for the Borrower to take action to cause (x) any Shares, Permitted Assets or other assets or consideration received in respect of such Issuer 251(g) Merger Event, Issuer Merger Event, Issuer Tender to Merger Event or sale under Section 2.09(a)(iii) or (y) any Shares tendered in the tender offer relating to an Issuer Tender to Merger Event where (A) such tender offer is not settled within three (3) Business Days following any tender of Shares by Borrower in such tender offer, (B) such Shares are properly withdrawn prior to expiration or (C) such tender offer is terminated prior to such Shares being accepted by the offeror, in the case of each of clause (x) and clause (y), to constitute Collateral pledged under the Security Agreement to each Applicable Lender, on a ratable basis, Borrower agrees to take such actions as may be reasonably requested by the Administrative Agent or any Lender to confirm or ensure that such Shares, Permitted Assets, other assets or consideration or previously tendered Shares promptly constitute Collateral pledged under the Security Agreement to each Applicable Lender, on a ratable basis, and, if Shares, Permitted Assets, other assets or consideration or previously tendered Shares are so pledged, then, to the extent such Shares, Permitted Assets, other assets or consideration or previously tendered Shares may be held in an account subject to the Collateral Account Control Agreement, the Borrower will take such actions as may be reasonably requested by the Administrative Agent or any Lender to cause such Shares, Permitted Assets, other assets or consideration or previously tendered Shares to be held in accounts subject to the Collateral Account Control Agreement.

(f) (i) Upon receipt by the Calculation Agent of written notice from the Borrower requesting the release and application of Eligible Cash Collateral for the purpose of either (1) making an interest payment on the Loans then due and payable or (2) repaying or prepaying any PIK Interest, the Calculation Agent shall be permitted, without the consent of the Lenders (but the Calculation Agent shall give each Applicable Lender prompt notice thereof), on the date specified in such notice (which date shall be no earlier than the Business Day immediately following the first Business Day on which the Calculation Agent has received such notice by 1:00 p.m.), to release such Eligible Cash Collateral from the Liens created under the Collateral Documents and cause the Administrative Agent to apply such released Eligible Cash Collateral as directed by the Borrower in such written notice.

(ii) Upon satisfaction of the conditions set forth in this Section 2.09(f), Eligible Cash Collateral shall be released from any Lien created under the Collateral Documents (A) on a ratable basis among the Applicable Lenders in accordance with their respective Ratable Shares of the Eligible Cash Collateral being released and (B) in an aggregate amount equal to the lower of (I) the amount of Collateral requested to be released by the Borrower in such written notice and (II) the aggregate amount Eligible Cash Collateral requested to be released by the Borrower held in the Collateral Accounts, and an amount equal to the amount of Eligible Cash Collateral released by each Applicable Lender shall be applied in accordance with the preceding clause (i) to the Obligations owing to such Applicable Lender and its Agent Lenders.

(g) In addition to transfers made pursuant to Section 2.09(a) or (c), made in connection with Dispositions under Section 7.04(a), (b) or (d), the Borrower may, in its sole discretion, transfer (i) Cash and Cash Equivalents that will constitute Eligible Cash Collateral upon such transfer and/or (ii) assets other than Cash and/or Cash Equivalents that each of the Lenders have previously consented to in writing to be included as Collateral, in each case of clauses (i) and (ii), into the Collateral Accounts on any Business Day, and the Calculation Agent shall adjust the LTV Ratio accordingly which shall become effective one (1) Business Day after the posting of such additional Collateral, as applicable (except in the case of transfers made pursuant to Sections 2.09(a) or (c) or in connection with Dispositions under Section 7.04(a), (b) or (d), which such adjustments shall be effective on the date of delivery of Eligible Cash Collateral); provided that, except in the case of Section 2.09(a) or (c) or Section 7.04(a), (b) or (d), the Calculation Agent shall only be required to make such adjustment with respect to a transfer by the Borrower having a Collateral Value of at least \$1,000,000.

(h) If (i) any Constrictive Amendment referred to in clause (i)(ii) of the definition of “Potential Adjustment Event” is not approved in the applicable shareholder vote such that a Potential Adjustment Event shall be deemed not to have occurred and any adjustments made in connection therewith shall automatically cease to be effective (in each case, as provided in such clause (i)(ii)), then, upon receipt of a written request therefor from the Borrower, the Calculation Agent shall (and may without the consent of any Lender) promptly originate an instruction or entitlement order to the Custodian directing the release and transfer of any applicable Collateral posted as a result of such Potential Adjustment Event from the Collateral Account of each Applicable Lender to the Borrower (or the Borrower’s designee) such that the LTV Ratio does not exceed the LTV Margin Call Level as calculated by the Calculation Agent without giving effect to such adjustments, (ii) there occurs a Triggering of an Issuer Event with respect to any Issuer of Spin-Off Shares, and such Spin-Off Shares shall cease to constitute Eligible Pledged Shares at all times thereafter, then, so long as the LTV Ratio does not exceed the LTV Margin Call Level or, if a Collateral Shortfall Notice is received, Borrower cures a Collateral Shortfall in accordance with Section 2.09(a), upon receipt of a written request therefor from the Borrower, the Calculation Agent shall (and may without the consent of any Lender) promptly originate an instruction or entitlement order to the Custodian directing the release and transfer of such Spin-Off Shares from the Collateral Account of each Applicable Lender to the Borrower (or the Borrower’s designee) or (iii) there occurs a Potential Adjustment Event with respect to any Spin-Off Shares and Borrower elects to exclude the Collateral Value of such Spin-Off Shares from the calculation of the LTV Ratio as provided in the last paragraph of the definition of “Potential Adjustment Event” and otherwise complies with the provisions of such paragraph, then, so long as the LTV Ratio does not exceed the LTV Margin Call Level, upon receipt of a written request therefor from the Borrower, the Calculation Agent shall (and may without the consent of any Lender) promptly originate an instruction or entitlement order to the Custodian directing the release and transfer of such Spin-Off Shares from the Collateral Account of each Applicable Lender to the Borrower (or the Borrower’s designee).

(i) To the extent that the Borrower elects or is required to transfer or deposit Shares, Cash, Cash Equivalents or any other item of Collateral into any Collateral Accounts, the Borrower shall effect such transfer or deposit by transferring or depositing into each Applicable Lender's Collateral Account, such Shares, Cash, Cash Equivalents or any other item of Collateral in accordance with their Ratable Shares of such item of Collateral.

(j) At the reasonable request of any Agent, the Custodian, any Applicable Lender or the Borrower, the parties hereto agree to execute and deliver such documents, agreements or instruments as are reasonably requested to evidence and/or give effect to the release of Liens described in this Section 2.09.

(k) To the extent an assignment of Loans or Commitments by any Lender pursuant to Section 10.06 requires the distribution or reallocation of Collateral, the foregoing provisions of this Section 2.09 shall not apply to any such distribution or reallocation.

2.10. Evidence of Debt.

(a) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain a register for the recordation of the names and addresses of Lenders and each Lender's Ratable Share of the Loans from time to time (the "Register"). The Register shall be available for inspection by the Borrower or any Lender (with respect to such Lender's portion of any Loan) at any reasonable time and from time to time upon reasonable prior notice. The Administrative Agent shall record in the Register the initial principal amount of each Loan, stated interest thereon, and each repayment or prepayment in respect of the principal amount thereof, and any assignment thereof, and any such recordation shall be conclusive and binding on the Borrower and each Lender, absent manifest error; provided that, failure to make any such recordation, or any error in such recordation, shall not affect any Obligations.

(b) Notes. No promissory note shall be required to evidence the Loans by the Lenders to the Borrower. Upon the request of a Lender, the Borrower shall execute and deliver to the Lender a Note (with a copy to the Administrative Agent), which shall evidence such Lender's Ratable Share of the applicable Loans in addition to the foregoing accounts or records. A Lender may attach schedules to a Note and endorse thereon the date, amount and maturity of its Ratable Share of such Loans and payments with respect thereto.

2.11. Payments Generally.

(a) All payments to be made by or on account of any obligation of the Borrower hereunder shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff, except with respect to Taxes as provided in Section 3.01. Except as otherwise expressly provided herein, all payments by or on account of any obligation of the Borrower hereunder shall be made to the Administrative Agent at the Agent Account in Dollars and in immediately available funds not later than 3:00 p.m. on the date specified herein. All payments received by the Administrative Agent after 3:00 p.m. shall be deemed received on the next succeeding Business Day and any applicable interest shall continue to accrue.

(b) Except to the extent otherwise provided herein, including Section 2.04, Section 2.08(b) and Section 2.09(a), the Loans, each payment or prepayment of principal of the Loans, each payment of interest on the Loans, each payment of any applicable Prepayment Amount (which, for the avoidance of doubt, is solely payable in respect of the Delayed Draw Loans) and each other payment hereunder shall be allocated among the Lenders (or in the case of any Prepayment Amount, the Lenders who are owed such amount) pro rata in accordance with their Ratable Shares of the Loans (provided that, if the Borrower makes an election pursuant to Section 2.11(i), such payment shall be allocated to the Lenders holding Loans of the Type so prepaid pro rata in accordance with their Ratable Shares of the Loans of such Type). The Administrative Agent agrees to forward to the Lenders such principal, interest and other payments on the same Business Day as such amounts are received, collected or applied by the Administrative Agent from the Borrower, unless the Administrative Agent receives such amounts after 11:00 a.m., in which case such payments may be forwarded by the Administrative Agent to the Lenders on the next Business Day.

(c) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Loan that such Lender will not make available to Administrative Agent such Lender's Applicable Percentage of such Loan, Administrative Agent may assume that such Lender has made such Applicable Percentage of such Loan available on such date in accordance with Section 2.02 and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its Applicable Percentage of such Loan available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount 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 (i) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by Administrative Agent in accordance with banking industry rules on interbank compensation and (ii) in the case of a payment to be made by the Borrower, the Floating Rate. If the Borrower and such Lender shall pay such interest to Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its Applicable Percentage of the applicable Loan to Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to Administrative Agent.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Lenders hereunder that the Borrower will not make such payment in full, the Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent the Borrower shall not have so made such payment in full to the Administrative Agent, each Lender shall repay to the Administrative Agent forthwith on demand such amount distributed to such Lender

together with interest thereon at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, for each day from and including the date such amount is distributed to such Lender to but excluding the date such Lender or the Borrower repays such amount to the Administrative Agent. A notice of the Administrative Agent to any Lender with respect to any amount owing under this subsection (d) shall be conclusive absent manifest error.

(e) Except as expressly set forth herein, if any payment to be made by or on account of any obligation of the Borrower or the date for the performance of any covenant shall come due on a day other than a Business Day, payment or performance, as applicable, shall be made on the next following Business Day, and, for payments, such extension of time shall be reflected in computing interest.

(f) Nothing herein shall be deemed to obligate a Lender to obtain the funds for its Ratable Share of the Loans in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for its Ratable Share of the Loans in any particular place or manner.

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

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

(i) All payments (including prepayments and any other amounts received hereunder other than payments and amounts received in connection with the exercise of the Agents' and each Applicable Lenders' rights after an Event of Default) made by the Borrower to Administrative Agent or any Lender under any Loan Document shall be applied to amounts then due and payable in the following order: (i) to any expenses and indemnities payable by the Borrower to any Agent under any Loan Document, (ii) ratably to any expenses and indemnities payable by the Borrower to any Lender under any Loan Document, (iii) subject to Section 2.11(j), to any accrued and unpaid interest and fees (including any applicable Prepayment Amount) due under this Agreement, (iv) subject to Section 2.11(j) and Section 2.04, to principal payments on the outstanding Initial Loans, Revolving Loans and/or Delayed Draw Loans (if any) pro rata and (v) to the extent of any excess, to the payment of all other Obligations under the Loan Documents.

(j) Notwithstanding anything contained in this Agreement to the contrary, except

for Section 2.04, nothing in this Agreement or any other Loan Document shall apply to or restrict (i) the payment of the Revolving Loan Commitment Fee, Delayed Draw Loan Commitment Fee, other fee (including any Prepayment Amount) or interest payable with respect to any Initial Loans, Delayed Draw Commitment, Delayed Draw Loans, Revolving Commitments and/or Revolving Loans, as applicable, (ii) the reduction or termination of the Revolving Commitments and/or Delayed Draw Commitments pursuant to Section 2.08 (and payments of Revolving Loan Commitment Fee, Delayed Draw Loan Commitment Fees and/or other fees, as applicable, due on the date of any such termination) or (iii) the prepayment of any Initial Loans, Revolving Loans and/or Delayed Draw Loans, whether in full or in part, in each case, on a non-pro rata basis with respect to any other Type of Loans as the Borrower shall elect; provided that if the Borrower does not make such election prior to or concurrently with delivering a Voluntary Prepayment Notice, if applicable, any such payments will be applied on a pro rata basis to the outstanding Initial Loans, Revolving Loans and/or Delayed Draw Loans.

2.12. Sharing of Payments, Etc. Each Lender agrees that, in the event that any Lender shall obtain payment in respect of any principal of or interest on the Loans owing to such Lender under this Agreement through the exercise of a right of setoff, banker's lien, counterclaim or otherwise (including pursuant to a Debtor Relief Law) (excluding, in each case, any exercise of remedies by an Applicable Lender with respect to its Applicable Collateral or by amounts received by an Applicable Lender with respect to its Applicable Collateral under a Debtor Relief Law) in excess of its Ratable Share of the amounts owed to it hereunder (or, if the Borrower makes an election pursuant to Section 2.04 and Section 2.09(a), in excess of its Ratable Share of amounts owed to it hereunder with respect to Loans of the Type so prepaid), such Lender shall promptly notify the Administrative Agent of such fact and purchase (for cash at face value) from the other Lenders a participation in their portion of the Loans, in such amounts and with such other adjustments from time to time, as shall be equitable in order that all Lenders share such payment in accordance with their respective ratable portion as provided for in this Agreement. Each Lender further agrees that if a payment to a Lender (which is obtained by such Lender through the exercise of a right of setoff, banker's lien, counterclaim or otherwise) shall be rescinded or must otherwise be restored, each Lender which shall have shared the benefit of such payment shall, by repurchase of a participation theretofore sold, return its share of that benefit to each Lender whose payment shall have been rescinded or otherwise restored. The Borrower agrees that any Lender so purchasing such a participation may, to the fullest extent permitted by law, exercise all rights of payment, including setoff, banker's lien or counterclaim, with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation. For the avoidance of doubt, the foregoing provisions of this Section 2.12 shall not apply to any exercise by an Applicable Lender of remedies against the Collateral controlled by such Applicable Lender or the assignment or participation of Loans or Commitments otherwise permitted hereunder.

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

(a) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver, consent or adjustment with respect to this Agreement shall be restricted as set forth in the definition of "Required Lenders" and "Required Revolving Lenders" and in Section 8.01.

(b) Reallocation of Payments. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of a Defaulting Lender (whether voluntary or mandatory, at maturity, or otherwise, and including any amounts made available to the Administrative Agent by that Defaulting Lender pursuant to Section 10.08), shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by that Defaulting Lender to any Agent hereunder; *second*, as the Borrower may request (so long as no Event of Default has occurred), to the funding of any Loan in respect of which that Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *third*, if so determined by the Administrative Agent and the Borrower, to be held in a non-interest bearing deposit account and released in order to satisfy obligations of that Defaulting Lender to fund future Loans under this Agreement; *fourth*, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; *fifth*, so long as no Event of Default has occurred, 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 that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; and *sixth*, to that Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loan in respect of which that Defaulting Lender has not fully funded its pro rata share (based on such Defaulting Lender's applicable percentage of the Commitments at the applicable time relating to such Loan) and (y) such Loan were made at a time when the conditions set forth in Section 4.02 were satisfied or waived, such payment shall be applied solely to pay the Loans of all non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of that Defaulting Lender. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender pursuant to this Section 2.13(b) shall be deemed paid to and redirected by that Defaulting Lender, and each Lender irrevocably consents hereto.

(c) Fees. No Defaulting Lender shall be entitled to receive any fee payable under Section 2.06(e), Section 2.06(f), Section 2.06(g) or Section 2.06(h), as applicable, for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

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

2.14. Rebalancing.

(a) If, on any date, any Applicable Lender gives written notice to the Calculation Agent, or the Calculation Agent otherwise becomes aware, that (i) any posting or release of Collateral did not occur on a ratable basis among the Applicable Lenders in accordance with their respective Ratable Shares of the amount and type of Collateral being posted or released (other than in connection with any distribution of Collateral in connection with an assignment pursuant to Section 10.06), (ii) the Collateral is not held among the Applicable Lenders in accordance with their respective Ratable Shares (including with respect to the types of Collateral held by each Applicable Lender) for any other reason (other than as a result of a Lender exercising remedies in accordance with the Loan Documents) or (iii) Collateral needs to be distributed in connection with an assignment pursuant to Section 10.06, then on, or as promptly as practicable following, such date, the Calculation Agent shall notify the Applicable Lenders of such circumstances and, on, or as promptly as practicable following the date of such notice, the Applicable Lenders shall cause any transfers of Collateral from the Collateral Accounts that they control to Collateral Accounts controlled by other Applicable Lenders as may be necessary, as determined by the Calculation Agent, to ensure that the Collateral is held among the Applicable Lenders in accordance with their respective Ratable Shares (including with respect to the types of Collateral held by each Applicable Lender). Each Lender agrees to cooperate in good faith with the Calculation Agent and the Custodian to effect such rebalancing, including, for the avoidance of doubt, by submitting written instructions to the Custodian to effect such transfers. The Borrower hereby consents to, and to the extent necessary will cooperate in good faith with, such transfers. Notwithstanding anything to the contrary contained herein, no rebalancing shall be required to the extent the circumstances described in clause (i) or (ii) of this Section 2.14(a) result from (x) a Lender waiving amounts owing to it, whether principal, interest or otherwise, in accordance with Section 10.01(a) or (y) a Lender releasing all or any portion of the Collateral, other than in connection with Section 2.09 or pursuant to and in accordance with the terms of the other Loan Documents.

(b) Each of the Lenders and the Borrower hereby authorizes the Calculation Agent to deliver a Collateral Reallocation Instruction to the Custodian, with a copy to the Borrower, (i) in order to instruct the Custodian to effect any rebalancing described in the preceding clause (a) and (ii) in connection with any Subsequent Loan Borrowing to the extent necessary to ensure that the Collateral is held on a Pro Rata Basis. Each Lender agrees to cooperate in good faith with the Calculation Agent and the Custodian to effect any such reallocation, including, for the avoidance of doubt, by submitting written instructions to the Custodian to effect such reallocation and any related transfers of Collateral. The Borrower hereby consents to, and to the extent necessary will cooperate in good faith with, such transfers.

2.15. Notice of Additional Debt of Liberty Broadband. The Borrower shall promptly and in any event within thirty (30) Business Days after Borrower obtains actual knowledge thereof, notify the Administrative Agent (and the Administrative Agent shall provide such notice to the Lenders) that the aggregate outstanding principal amount of Liberty Broadband's and its consolidated Subsidiaries' indebtedness for borrowed money exceeds \$[_____].

ARTICLE III TAXES, YIELD PROTECTION AND ILLEGALITY

3.01. Taxes.

(a) Defined Terms. For purposes of this Section 3.01, the term "applicable Law" includes FATCA.

(b) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable Law. If any applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) Payment of Other Taxes by the Borrower. The Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) Indemnification by the Borrower. The Borrower shall indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 3.01(d)) payable or paid by such Recipient or required to be withheld or deducted

from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify (i) the Administrative Agent, within ten (10) days after demand therefor, for any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) the Administrative Agent, and the Borrower, as applicable, against any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.06(c) relating to the maintenance of a Participant Register and (iii) the Administrative Agent, and the Borrower, as applicable, against any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent or Borrower in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this subsection (e).

(f) Evidence of Payments. As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section 3.01, the Borrower shall deliver to the Administrative Agent the original or a certified 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.

(g) Status of Lenders.

(i) Any Lender or Agent that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender or Agent, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender or Agent is subject to backup withholding

or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 3.01(g)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's or Agent's reasonable judgment such completion, execution or submission would subject such Lender or Agent to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender or Agent.

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

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

(B) any Foreign Lender or Agent that is not a U.S. Person shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender or such Agent becomes a Lender or Agent under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

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

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

(III) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit I-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C)

of the Code (a “U.S. Tax Compliance Certificate”) and (y) executed copies of IRS Form W-8BEN or W-8BEN-E; or

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

(C) any Foreign Lender and any Agent which is not a U.S. Person shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender or Agent becomes a Lender or Agent under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of any other form prescribed by applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable Law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender or Agent under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender or Agent 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 or Agent 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 or Agent has complied with such Lender’s or Agent’s obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), “FATCA” shall include any amendments made to FATCA after the date of this Agreement.

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

(h) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 3.01 (including by the payment of additional amounts pursuant to this Section 3.01), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 3.01 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this subsection (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this subsection (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection (h) shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) Tax Documentation by the Borrower. To the extent it is legally entitled to do so, the Borrower shall deliver to the Administrative Agent, at the time or times prescribed by applicable Laws, when reasonably requested by the Administrative Agent and promptly upon the obsolescence, invalidity or expiration of any form previously provided by the Borrower, such properly completed and executed documentation or certification prescribed by applicable Laws and such other reasonably requested information, certification or documentation as will permit the Administrative Agent to determine that a sale of the Collateral would not be subject to any withholding with respect to Taxes.

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

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

3.03. **Increased Costs; Reserves.**

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

(i) impose, modify or deem applicable any reserve (including reserves with respect to liabilities or assets consisting of or including eurocurrency funds or deposits (currently known as "eurocurrency liabilities")), special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended by, a Lender;

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

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

and the result of any of the foregoing shall be to increase the cost to such Lender or Agent of making, continuing or maintaining its portion of the Loans (or of maintaining its obligation to make its portion of the Loan) or to reduce the amount of any sum received or receivable by such Lender or Agent hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or Agent, the Borrower will pay to such Lender or Agent such

additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If a Lender determines that any Change in Law affecting such Lender or its holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of its holding company, if any, as a consequence of this Agreement or such Lender's portion of the Loans to a level below that which such Lender or its holding company could have achieved on such Lender's portion of the Loans but for such Change in Law (taking into consideration such Lender's policies and the policies of its holding company with respect to capital adequacy or liquidity), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or its holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of an Agent or Lender setting forth the amount or amounts necessary to compensate such Agent or Lender or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section 3.03 and delivered to the Administrative Agent and the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Agent or Lender, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of an Agent or Lender to demand compensation pursuant to the foregoing provisions of this Section 3.03 shall not constitute a waiver of such Agent's or such Lender's, as the case may be, right to demand such compensation; provided that the Borrower shall not be required to compensate an Agent or Lender pursuant to the foregoing provisions of this Section 3.03 for any increased costs incurred or reductions suffered more than 180 days prior to the date that such Agent or Lender, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof).

3.04. Compensation for Losses. Upon demand of a Lender from time to time, the Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any payment or prepayment of the Loans on a day other than an Interest Payment Date (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise); or

(b) any failure by the Borrower (for a reason other than the failure of such Lender to make available on any date specified herein its portion of the Loans) to prepay or borrow the Loans on any date or in the amount specified herein;

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

Such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the Floating 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, over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which 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.

3.05. Mitigation Obligations.

(a) If a Lender requests compensation under Section 3.03, or the Borrower is required to pay any additional amount to a Lender, an Agent or any Governmental Authority for the account of such Lender or Agent pursuant to Section 3.01, or if a Lender gives a notice pursuant to Section 3.02, then such Lender or Agent, as the case may be, at the request of the Borrower, shall use reasonable efforts to designate a different lending office for funding or booking the Loans, or its portion thereof, hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates and to take any other actions reasonable in the sole judgment of such Lender or Agent, if, in the sole judgment of such Lender or Agent, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or 3.03, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (ii) in each case, would not subject such Lender or Agent to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender or Agent. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by a Lender or Agent in connection with any such designation, assignment or action.

(b) If any Lender requests compensation under Section 3.03, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01 and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with Section 3.05(a), or if any Lender is a Defaulting Lender or declines to approve an amendment, waiver or consent that is approved by the Required Lenders, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.06), all of its interests, rights (other than its existing rights to payments pursuant to Section 3.03 or Section 3.01) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that:

(i) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 10.06(e);

(ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents 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);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 3.03 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter;

(iv) such assignment does not conflict with applicable Law; and

(v) in the case of any assignment resulting from a Lender declining to approve an amendment, waiver or consent that is approved by the Required Lenders, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

ARTICLE IV

CONDITIONS PRECEDENT TO THE LOAN

4.01. Conditions Precedent to Closing Date. The effectiveness of this Agreement and the obligation of the Initial Loan Lenders to make the extension of the Initial Loans hereunder is subject to satisfaction of the following conditions precedent:

(a) Receipt by the Administrative Agent of the following, each of which shall be originals or electronic image scans (e.g., “pdf”) (followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer, if applicable, each dated the Closing Date (or, in the case of certificates of governmental officials, a recent date before the Closing Date) and each in form and substance satisfactory to the Administrative Agent:

(i) executed counterparts of the following Loan Documents, sufficient in number for distribution to each Lender, the Administrative Agent and the Borrower: (A) this Agreement, (B) the Security Agreement, (C) the Collateral Account Control Agreement and (D) the Issuer Acknowledgment;

(ii) if requested by any Initial Loan Lender, a Note executed by the Borrower;

(iii) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers as the Administrative Agent

may require evidencing the identity, authority and capacity of each Responsible Officer authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents;

(iv) such documents and certifications as the Administrative Agent may reasonably require to evidence that each of the Borrower and the Borrower Sole Member is duly organized or formed under the Laws of the jurisdiction of its organization and is validly existing, in good standing and qualified to engage in business in its jurisdiction of formation and each other jurisdiction where it is conducting business;

(v) [reserved];

(vi) the legal opinion of each of (x) Baker Botts L.L.P., counsel to the Borrower, and (y) Sidley Austin LLP, special counsel to the Borrower, in each case, addressed to the Lenders and the Agents, as to such matters as the Lenders and the Agents may reasonably request;

(vii) a certificate of a Responsible Officer either (A) attaching copies of all consents, licenses and approvals required in connection with the execution, delivery and performance by the Borrower, and the validity against the Borrower of the Loan Documents, 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;

(viii) a Solvency Certificate of the Borrower executed by a Responsible Officer thereof;

(ix) evidence of the results of searches for Liens and judgments against the Borrower satisfactory to the Initial Loan Lenders; and

(x) all applicable “know your customer” and other account opening documentation required by the USA PATRIOT Act to be provided by the Borrower.

(b) In order to meet certain requirements under the Security Agreement relating to the Collateral and to create in favor of each Applicable Lender a valid, perfected First Priority security interest in such Applicable Lender’s Ratable Share of the Collateral, the Borrower shall have:

(i) delivered or transferred the Initial Pledged Shares to the Custodian (and such Initial Pledged Shares shall be held in or credited to the Collateral Accounts of each Applicable Lender based on its Ratable Share of the Collateral); and

(ii) satisfied the Collateral Requirement.

(c) No Issuer Event shall have occurred, and no event or transaction shall have been announced that if consummated or completed would constitute an Issuer Event.

(d) The Organization Documents of the Borrower shall be in form and substance reasonably satisfactory to each Initial Loan Lender, and the Independent Manager shall have been duly appointed.

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

4.02. Conditions Precedent to all Loans. The obligation of each Lender to make any Loan (including the Initial Loans, Revolving Loans and any Delayed Draw Loans) shall be subject to satisfaction of the following conditions precedent:

(a) The Borrower shall have delivered a Borrowing Request to the Administrative Agent signed by the Borrower in accordance with the requirements hereof; provided, however, that solely in the case of the initial borrowing of Revolving Loans on the Amendment No. 1 Effective Date, the Borrower shall also have delivered a Voluntary Prepayment Notice to the Administrative Agent, which notice shall provide for the prepayment of at least \$200,000,000 of Initial Loans.

(b) Each of the representations and warranties made by the Borrower set forth in Article V hereof and the other Loan Documents (provided that the representation and warranty contained in Section 5.20 shall not be made as of the date of any Borrowing to the extent such Borrowing occurs after the Closing Date) shall be true and correct in all material respects (except to the extent such representation or warranty is already qualified by materiality, in which case to that extent it shall be true and correct in all respects) on and as of the date of such Loan with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties shall be true and correct in all material respects (except to the extent such representations and warranties are already qualified by materiality, in which case to that extent they shall be true and correct in all respects) as of such earlier date).

(c) No Default shall exist as of the date of such Borrowing or would result from the making of the Loans or from the application of the proceeds thereof.

(d) With respect to any Loans (including Revolving Loans), the LTV Ratio as of such date, after giving effect to the Loans made on such date, shall be equal to or less than the Initial LTV Level.

(e) The Borrower shall have delivered to each Lender a Form U-1 or Form G-3 or an amendment to a Form U-1 or Form G-3 previously delivered to such Lender hereunder, duly executed by a Responsible Officer (in each case, unless such Lender has

confirmed that it does not require either such form).

(f) The Calculation Agent shall have received confirmation from the Custodian that (i) if a Collateral Reallocation Instruction has been delivered to the Custodian, the reallocation described therein has been completed, and (ii) after giving effect to the making of such Loans, each Applicable Lender has its Ratable Share of each type of Collateral in its Collateral Accounts.

(g) No Mandatory Prepayment Event shall have occurred within the preceding two (2) Business Days prior to such Borrowing, and no Mandatory Prepayment Notice shall have been delivered to the Borrower.

(h) Solely with respect to the Funding Date and subject to Section 10.04(a), the Borrower shall have provided evidence reasonably satisfactory to the Administrative Agent that all reasonable, documented and out-of-pocket fees, charges and disbursements of counsel to the Initial Loan Lenders and the Agents, to the extent invoiced two (2) Business Days prior to the Funding Date, plus such additional amounts of such reasonable, documented and out-of-pocket fees, charges and disbursements as shall constitute a reasonable estimate of such reasonable, documented and out-of-pocket fees, charges and disbursements incurred or to be incurred by the Agents and such Initial Loan Lenders through the funding proceedings shall be paid substantially concurrently with the funding of the Initial Loans (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrower, such Initial Loan Lenders and the Agents).

(i) Solely with respect to the Funding Date, the Borrower shall have provided evidence reasonably satisfactory to the Administrative Agent that the fees payable to the Administrative Agent, Calculation Agent and the Lenders pursuant to Section 2.06 shall be paid substantially concurrently with the funding of the Initial Loans.

(j) Solely with respect to the Funding Date, receipt by the Administrative Agent of an executed Compliance Certificate attaching the Borrower Financial Statements, which shall be original or electronic image scans (e.g., "pdf") unless otherwise specified, properly executed by a Responsible Officer, dated the Funding Date and in form and substance satisfactory to the Administrative Agent.

(k) Solely in the case of the initial borrowing of Revolving Loans on the Amendment No. 1 Effective Date, the Borrower shall borrow \$200,000,000 of Revolving Loans, the gross proceeds of which shall be applied by the Revolving Lenders to prepay the Initial Loans.

Each Borrowing Request shall be deemed to be a representation and warranty by the Borrower that the conditions specified in Section 4.01 (solely for the Initial Loan Borrowings on the Funding Date) and Section 4.02 (with the exception of Section 4.02(f)), as applicable, have been satisfied on and as of the date of the making of a Loan.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lenders and the Agents that as of the Closing Date and as of the date of any Borrowing hereunder (provided such representation and warranty contained in [Section 5.20](#) shall not be made as of the Funding Date to the extent the Funding Date occurs after the Closing Date, or as of the date of any Subsequent Loan Borrowing):

5.01. Existence, Qualification and Power. The Borrower (a) is duly organized or formed and validly existing under the Laws of the jurisdiction of its organization, (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents (to the extent a party thereto), and (c) is duly qualified and is licensed and in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its respective business requires such qualification or license, except to the extent the failure to so qualify has not had and could not reasonably be expected to have a Material Adverse Effect.

5.02. Authorization; No Contravention. The execution, delivery and performance by the Borrower of each Loan Document to which it is party have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of any of its Organization Documents; (b) result in any breach, or default under, any Contractual Obligation to which it is a party or by which it is bound or affecting the Pledged Shares, including under the Reorganization Agreement; (c) result in the creation or imposition of any Transfer Restriction on the Eligible Pledged Shares or Lien on the Collateral (other than the Permissible Transfer Restrictions) under, or, other than as not prohibited herein, require any payment to be made under, any Contractual Obligation, including under the Reorganization Agreement; (d) violate any written corporate policy of any Issuer applicable to the Borrower or, to the Borrower's knowledge, affecting the Borrower; (e) violate any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which the Borrower is subject; or (f) violate any Law, except, in the case of clauses (b), (d), (e), and (f), where any such breach or violation, either individually or in the aggregate, has not had and could not reasonably be expected to have a Material Adverse Effect.

5.03. Binding Effect. This Agreement has been, and each other Loan Document to which the Borrower is a party when delivered hereunder, will have been, duly executed and delivered by the Borrower. This Agreement constitutes, and each other Loan Document to which the Borrower is a party when so delivered will constitute, a legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance or similar laws affecting creditors' rights generally and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law).

5.04. Financial Statements; No Material Adverse Effect.

(a) The Borrower Financial Statements show all Indebtedness and other liabilities, direct or contingent, of the Borrower as of the date thereof that are individually in

excess of \$100,000, including liabilities for taxes, Contractual Obligations and Indebtedness as at the dates thereof.

(b) Since the date of the Borrower Financial Statements, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

5.05. Disclosure. The Borrower has disclosed to the Administrative Agent all agreements, instruments and corporate or other restrictions to which it or any of the Collateral is subject, and all other matters known to the Borrower, that individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. No report, financial statement, certificate or other information (other than projections and other forward-looking information and information of a general economic or industry nature) (collectively, the “Disclosures”) concerning the Borrower furnished in writing by or on behalf of the Borrower to the Administrative Agent or the Lenders in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document, when 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 or are made, not misleading (giving effect to all supplements and updates thereto delivered to the Administrative Agent prior to the Closing Date (in the case of Disclosures delivered prior to the Closing Date) or prior to a Borrowing under Section 2.02 (in the case of Disclosures delivered prior to such Borrowing)).

5.06. Litigation. There are no actions, suits, investigations, proceedings, claims or disputes pending or, to the knowledge of the Borrower, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against the Borrower or any of its property that (a) purport to affect or pertain to this Agreement or any other Loan Document, or any of the transactions contemplated hereby or thereby, or (b) either individually or in the aggregate has had or could reasonably be expected to have a Material Adverse Effect.

5.07. No Default. The Borrower is not in default under or with respect to any Material Contract, any agreement with any Issuer or any agreement applicable to the Pledged Shares. No Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

5.08. Compliance with Laws. The Borrower is in compliance with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its property except in such instances which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings or (b) the failure to so comply, either individually or in the aggregate, has not had and could not reasonably be expected to have a Material Adverse Effect.

5.09. Taxes. The Borrower has timely filed all material Tax returns and reports required to be filed with any Governmental Authority, and has paid all material Taxes, assessments, fees and other governmental charges levied or imposed by any Governmental Authority upon it or its properties, income or assets otherwise due and payable, except those

that are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP. There is no proposed written Tax assessment against the Borrower and there is no current or, to the Borrower's knowledge, pending audit or other formal investigation of the Borrower by any Governmental Authority, in each case, which could reasonably be expected to have a Material Adverse Effect. The Borrower does not have, and has never had, a trade or business or a permanent establishment in any country other than the United States. Each of the Borrower, and, unless the Parent is the Borrower Sole Member, the Borrower Sole Member is disregarded as an entity separate from the Parent for U.S. federal income tax purposes, and the Parent is a "domestic corporation" within the meaning of Section 7701(a)(30) of the Code.

5.10. **Assets; Liens.** The Borrower has no assets other than Permitted Assets and does not engage in any business or conduct any activity, nor has it since its formation engaged in any business or conducted any activity other than (i) the acquisition, ownership, holding, voting, sale, transfer, exchange, assignment, Disposition or management of, or other dealings in or with, Permitted Assets, (ii) the performance of the transactions contemplated by Permitted Liabilities and performance of ministerial activities and payment of taxes and administrative fees necessary for compliance with this Agreement and the other Loan Documents and (iii) any transaction permitted under Sections 7.04, 7.05 or 7.07 hereunder. Except for the Liens created by the Loan Documents, Permitted Liens and other Liens not prohibited by Section 7.02, the assets of the Borrower are subject to no Liens. Other than the Loan Documents, any other agreements not prohibited under the Loan Documents (including agreements with respect to Permitted Liabilities and agreements made in connection with the consummation of an Issuer 251(g) Merger Event, an Issuer Merger Event, a Spin-Off Event or an Issuer Tender Offer), the Borrower's Organization Documents, Permissible Transfer Restrictions and agreements whereby the Borrower acquires Shares and/or any other Permitted Assets, the Borrower is not, nor has it been since its formation, a party to any contract or other agreement or arrangement.

5.11. **Governmental Authorization; Other Consents.** No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority is necessary or required in connection with the execution, delivery or performance by the Borrower of this Agreement or any other Loan Document, except as have been obtained or made and, to the extent applicable, remain in effect and for filings or recordings with respect to the Collateral to be made, or otherwise delivered for filing and/or recordation, as of the Closing Date.

5.12. **Governmental Regulation.** The Borrower is not subject to regulation under any federal or state statute or regulation which may limit its ability to incur the indebtedness contemplated hereunder or which may otherwise render all or any portion of the Obligations unenforceable.

5.13. **ERISA and Related Matters.** The Borrower is not subject to any material obligations or liabilities, contingent or otherwise, with respect to any Plan. None of the assets of the Borrower are or could be deemed to be "plan assets" (as defined in Section 3(42) of

ERISA) or assets of any Plan pursuant to any substantially similar non-U.S. or other law.

5.14. Organization Documents. The Borrower is in compliance with the terms and provisions of its Organization Documents.

5.15. Margin Regulations; Investment Company Act.

(a) None of the transactions contemplated by the Loan Documents (including the Loans and the use of proceeds thereof) will violate Regulations T, U or X of the FRB.

(b) None of the Borrower or any Person Controlling the Borrower is, or is required to be registered as an “investment company” under the Investment Company Act. After giving effect to the transactions contemplated under the Loan Documents none of the Borrower or any Person Controlling the Borrower will be required to register as an “investment company” under the Investment Company Act.

5.16. Subsidiaries; Equity Interests. The Borrower has no Subsidiaries. The Borrower has no Investment in any Person other than in Permitted Assets. All of the outstanding Equity Interests in the Borrower have been validly issued, are fully paid and nonassessable and are directly owned by the Borrower Sole Member.

5.17. Solvency. The Borrower is, and upon the incurrence of any Obligations by the Borrower on any date on which this representation and warranty is made or deemed made, the Borrower will be, Solvent.

5.18. Trading and Other Restrictions.

(a) The Eligible Pledged Shares are not subject to Transfer Restrictions, other than Permissible Transfer Restrictions.

(b) The Eligible Pledged Shares are not subject to any shareholders agreement that includes any Transfer Restrictions, other than Permissible Transfer Restrictions.

5.19. USA PATRIOT Act. To the extent applicable, the Borrower is in compliance with the (i) Trading with the Enemy Act, and each of the foreign assets control regulations of the United States Department of the Treasury (31 C.F.R., Subtitle B, Chapter V) and any other enabling legislation or executive order relating thereto (collectively, the “Trading with the Enemy Act”), (ii) the USA PATRIOT Act and (iii) The Currency and Foreign Transactions Reporting Act of 1970 (31 U.S.C. §§ 5311-5330 and 12 U.S.C. §§ 1818(s), 1820(b) and 1951-1959) (also known as the “Bank Secrecy Act”) (together with the Trading with the Enemy Act and the USA PATRIOT Act, “Anti-Terrorism Laws”). Neither the Borrower nor, to the knowledge of a Responsible Officer, any director, officer, employee, or agent of the Borrower (a) is currently (i) the subject of any Sanctions or (ii) located, organized or residing in any Designated Jurisdiction or (b) has been engaged in any transaction with any Person who, to the knowledge of the Borrower, is now or was then the subject of Sanctions or located,

organized or residing in a Designated Jurisdiction. No part of the proceeds of the Loans will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977 (the “FCPA”).

5.20. No Material Non-public Information. The Borrower is not entering into the Loan Documents or the transactions contemplated thereby on the basis of any material Non-public Information in respect of any Issuer that could reasonably be expected to result in a significant decline in the aggregate market value of the Shares of such Issuer. No information provided by or on behalf of the Borrower to a Lender in connection with the Loan Documents or the transactions contemplated thereby is material Non-public Information in respect of any Issuer.

5.21. Bulk Sale and Private Sale. The Borrower understands that upon the occurrence of an Event of Default and the exercise of remedies pursuant to the Security Agreement, (a) a commercially reasonable bulk sale of the Eligible Pledged Shares may occur which may result in a substantially discounted realization value with respect to the Eligible Pledged Shares compared to the then current market price and (b) a commercially reasonable private sale of the Eligible Pledged Shares may occur which may result in less proceeds than a public sale.

5.22. Status of Shares.

(a) Each of the Shares transferred to the Collateral Account (i) is of the same class as securities listed on a national exchange registered under Section 6 of the Exchange Act or quoted in a U.S. automated inter-dealer quotation system and (ii) other than with respect to a Merger Share or Spin-Off Share, as of the Closing Date, has a “holding period” (for purposes of Rule 144) of at least twelve (12) months in the hands of the Borrower.

(b) The Loans contemplated hereunder are entered into by the Borrower in good faith and at arm’s length and are *bona fide* loans. The Loans are not entered into with an expectation that the Borrower would default in its obligations thereunder. The Liens created under the Collateral Documents (including, without limitation, the pledge of the Pledged Shares) are *bona fide* pledges to secure the Borrower’s obligations under the Loan Documents. Such Collateral Documents are not entered into by the Borrower with the intent of facilitating a disposition of any Shares subject to the Collateral Documents.

5.23. Special Purpose Entity/Separateness.

(a) The Borrower is a Special Purpose Entity in all material respects.

(b) The representations and warranties set forth in this Section 5.23 shall survive for so long as any amount (other than any contingent obligation as to which no claim has been asserted) remains payable to a Lender under this Agreement or any other Loan Document.

5.24. **Reporting Obligations.** The Borrower or the Parent, as applicable, has complied, and will comply, in all material respects, with its reporting obligations with respect to the Shares and the Loan Documents under Sections 13 and 16 of the Exchange Act, to the extent applicable, and applicable securities laws of any other jurisdiction, including any required filings with the SEC.

5.25. **Restricted Transactions.** None of Splitco, the Borrower, or their respective Subsidiaries is a party to a Restricted Transaction.

5.26. **Anti-Corruption Laws and Sanctions.** The Parent has implemented and maintains in effect policies and procedures designed to ensure compliance in all material respects by the Borrower and its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions; and the Borrower, and its Subsidiaries and, to the knowledge of the Borrower, each of the officers, employees, directors and agents of the Borrower and its Subsidiaries are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) the Borrower or its Subsidiaries, or (b) to the knowledge of the Borrower, any of the directors, officers, or employees of the Borrower or any of its Subsidiaries, or any agents of the Borrower or any of its Subsidiaries that will act in any capacity in connection with or benefit from the Loans made hereby, is a Sanctioned Person. No Loan, use of proceeds or other transaction contemplated by this Agreement will violate the Anti-Corruption Laws or applicable Sanctions.

ARTICLE VI

AFFIRMATIVE COVENANTS

So long as the Loans or other Obligations (other than contingent obligations as to which no claim has been asserted) shall remain unpaid or unsatisfied:

6.01. **Financial Statements.** As soon as available, but in any event within sixty (60) days after the end of each fiscal year of the Borrower and within forty-five (45) days after the end of each of the first three fiscal quarters of the Borrower, the Borrower shall deliver to the Administrative Agent, in form and detail reasonably satisfactory to the Administrative Agent, an unaudited statement of assets and liabilities as at the end of such fiscal year or fiscal quarter, as applicable, in reasonable detail and certified by a Responsible Officer as fairly presenting in all material respects the assets and liabilities of the Borrower, each in form and detail reasonably satisfactory to the Administrative Agent.

6.02. **Certificates; Other Information.** The Borrower shall deliver to the Administrative Agent in form and detail satisfactory to the Administrative Agent:

(a) concurrently with the delivery of any statement of assets and liabilities referred to in Section 6.01, a duly completed Compliance Certificate signed by a Responsible Officer;

(b) promptly, and in any event within five (5) Business Days after receipt thereof by the Borrower, copies of each notice or other correspondence received from the SEC (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other similar inquiry by such agency regarding the Loans, the Collateral, or the financial or other operational results of the Borrower;

(c) promptly, after request therefor, a statement of “beneficial ownership” (within the meaning of Rules 13d-3 or 16a-1(a)(2) promulgated under the Exchange Act) of Merger Shares or Spin-Off Shares “beneficially owned” by each Controlling Shareholder, to the extent such information is not reported in such Controlling Shareholder’s most recent filings with the SEC (or if such Controlling Shareholder does not file with the SEC); and

(d) promptly, after request therefor, such additional information regarding compliance by the Borrower with the terms of the Loan Documents, as the Administrative Agent may from time to time reasonably request in writing (including any information that any Lender reasonably requests in order to comply with its obligations under any “know-your-customer” or anti-money laundering laws or regulations, including the USA PATRIOT Act and the Beneficial Ownership Regulation).

6.03. Notices.

(a) The Borrower shall promptly and in any event within two (2) Business Days after Borrower obtains actual knowledge of the occurrence, notify the Administrative Agent of:

(i) the occurrence of any Default or Mandatory Prepayment Event;

(ii) any matter that has resulted or could reasonably be expected to result in a Material Adverse Effect, including as a result of (A) a breach or non-performance by the Borrower of, or any default under, a material Contractual Obligation of the Borrower, (B) any material actual or threatened litigation, investigation, subpoena, regulatory action, proceeding or suspension between the Borrower and any Governmental Authority, or (C) the commencement of, or any material development in, any litigation or proceeding of any Governmental Authority against the Borrower;

(iii) the occurrence of a Change of Control;

(iv) [reserved]; and

(v) any material change in accounting policies or financial reporting practices by the Borrower not required by pronouncements of the Public Company Accounting Oversight Board or the American Institute of Certified Public Accountants.

(b) The Borrower and the Borrower Sole Member shall promptly notify the Administrative Agent upon receiving a notice of resignation of the Independent Manager

of the Borrower.

Each notice delivered pursuant to this Section 6.03 shall be accompanied by a statement of a Responsible Officer setting forth details of the occurrence referred to therein and stating what action the Borrower has taken and proposes to take with respect thereto except, in the case of clause (a)(ii) above, to the extent (x) such information is subject to confidentiality obligations with a third party which prevents disclosure of such information, (y) such information is subject to attorney-client privilege or (z) the sharing of such information is prohibited by any applicable Law. Each notice pursuant to Section 6.03(a) shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached. The Administrative Agent shall endeavor to promptly provide any notice received under this Section 6.03 to each Lender.

6.04. Preservation of Existence, Etc. The Borrower shall (a) preserve, renew and maintain in full force and effect its legal existence as a limited liability company under the Laws of the jurisdiction of its organization and (b) take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business; except in the case of this clause (b), where the failure to so preserve, renew or maintain, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

6.05. Special Purpose Entity/Separateness. The Borrower shall be and shall continue to be a Special Purpose Entity in all material respects.

6.06. Payment of Taxes and Claims. The Borrower will pay all material Taxes imposed upon it or any of its properties or assets or in respect of any of its income, businesses or franchises, or for which it otherwise is liable, before any penalty or fine accrues thereon, and all material claims (including claims for labor, services, materials and supplies) for sums that have become due and payable and that by law have or may become a Lien upon any of its properties or assets, prior to the time when any penalty or fine shall be incurred with respect thereto; provided that no such Tax or claim need be paid to the extent (i) either the amount thereof is immaterial or the amount or validity thereof is currently being contested in good faith by appropriate proceedings, (ii) adequate reserves in conformity with GAAP with respect thereto have been made or provided therefor and (iii) such proceedings could not reasonably be expected to result in the sale, forfeiture or loss of any portion of the Collateral or any interest therein. The Borrower shall not change its status as a disregarded entity for U.S. federal income tax purposes unless the Administrative Agent shall have provided its prior written consent to such change, which consent shall not be unreasonably withheld, conditioned or delayed and, at all times that it is disregarded as an entity separate from its owner for U.S. federal income tax purposes, it will have Parent, a "domestic corporation" within the meaning of Section 7701(a)(30) of the Code, as its regarded owner (directly or indirectly through another disregarded entity) for U.S. federal income tax purposes.

6.07. Compliance with Laws and Material Contracts. The Borrower shall (a) comply with the requirements of all Laws and all orders, writs, injunctions and decrees of a Governmental Authority applicable to it or to its business or property except where the failure

to comply or to perform, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect; and (b) perform its obligations under all of its Material Contracts, except where the failure to comply or to perform, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. The Parent shall maintain in effect and enforce policies and procedures designed to ensure compliance in all material respects by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

6.08. Books and Records. The Borrower shall maintain proper books of record and account as are reasonably necessary to prepare the information required by Section 6.01. Without at least thirty (30) days' (or such shorter period as the Administrative Agent may agree to) prior written notice to the Administrative Agent, the Borrower shall not maintain any of the Borrower's books and records at any office other than at the address indicated in Schedule 10.02.

6.09. Use of Proceeds.

(a) The proceeds of the Loans will be used by the Borrower for any purpose not prohibited hereunder, including, without limitation, (i) to make dividends and distributions, (ii) for the purchase of margin stock, (iii) to make Investments not prohibited hereunder and/or (iv) otherwise for general corporate purposes, including, without limitation, for payment of interest and fees and other costs and expenses.

(b) The Borrower shall not use, and the Borrower shall procure that its Subsidiaries, the Parent and the directors, officers, employees and agents of the Borrower, its Subsidiaries and the Parent, shall not use, the proceeds of the Loans (A) 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, (B) 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 (C) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

(c) The Borrower has no contemplated plans to use the proceeds of any Loan to pay any debt or fees owed to, or engage in specific transactions with, any Person known by it to be a non-bank Affiliate of a Lender.

6.10. Purpose Statement. Upon request from a Lender or an Agent, the Borrower shall deliver to such Lender or Agent a completed Form U-1 Purpose Statement or Form G-3 Purpose Statement, as applicable, each as published by the FRB.

6.11. Further Assurances. The Borrower shall promptly, at its sole cost and expense, execute and deliver to the Agents and the Lenders such further instruments and documents, and take such further action, as the Agents may, at any time and from time to time, reasonably request in order to carry out the intent and purpose of the Loan Documents and to establish and protect the rights, interests and remedies created, or intended to be created, in favor of the Secured Parties hereby and thereby.

ARTICLE VII

NEGATIVE COVENANTS

So long as the Loans or other Obligations (other than contingent obligations in respect of which no claim has been asserted) shall remain unpaid or unsatisfied, without the prior written consent of all of the Lenders:

7.01. Restricted Transaction. The Borrower shall not, and shall cause Splitco and the Borrower's and Splitco's respective Subsidiaries not to, enter into any Restricted Transaction.

7.02. Liens. The Borrower shall not create, incur, assume or suffer to exist any Lien, and the Borrower shall cause its Subsidiaries not to create, incur, assume or suffer to exist any Lien, upon the Collateral, other than Permitted Liens.

7.03. Indebtedness. The Borrower shall not create, incur, assume or suffer to exist any Indebtedness, other than Permitted Liabilities.

7.04. Dispositions. The Borrower shall not make any Disposition of Pledged Shares or enter into any agreement to make any Disposition of Pledged Shares, other than: (a) so long as no Mandatory Prepayment Event or Default or Event of Default has occurred and is continuing or would result therefrom, Dispositions of Pledged Shares and the proceeds thereon; provided that (A) such Pledged Shares would be permitted to be released pursuant to Section 2.09(e) (subject to compliance with Section 2.09(d)), (B) the Calculation Agent shall have received a written notice from the Borrower requesting a release of such Collateral (and the Calculation Agent shall give each Applicable Lender prompt notice thereof) on the date specified therein (which date shall be no earlier than the Business Day immediately following the first Business Day on which the Calculation Agent has received such notice by 1:00 p.m.), including the amount and type of Collateral requested to be released and (C) solely in the case of Pledged Shares being released pursuant to Section 2.09(e), after giving effect to the release of such Pledged Shares from the Collateral Accounts in connection with such Disposition, if the LTV Ratio would be greater than the Initial LTV Level, the Borrower shall, substantially concurrently with settlement of such Disposition and as a condition to release of such Pledged Shares from the Collateral Accounts, either (1) prepay the outstanding Loans in an amount sufficient to cause the LTV Ratio to be equal to or less than the Initial LTV Level after giving effect to such release, together with the Prepayment Amount, if any, and any accrued interest to the date of such payment on the principal amount paid and any amount required pursuant to Section 3.04, or (2) deposit Cash and/or Cash Equivalents, that will constitute Eligible Cash Collateral, in the Collateral Accounts controlled by the Applicable Lenders in accordance with Section 3 of the Security Agreement in such amount sufficient to, after giving effect to such posting and such release, cause the LTV Ratio to be equal to or less than the Initial LTV Level; (b) Dispositions of Pledged Shares in accordance with Section 2.09(a)(iii), (c) or (h); (c) Restricted Payments permitted under Section 7.07 and (d) other Dispositions made in connection with the consummation of an Issuer 251(g) Merger Event, an Issuer Merger Event, an Issuer Tender to Merger Event or a Potential Adjustment Event.

7.05. Investments. The Borrower shall not make any Investments other than (a) in Permitted Assets and any other assets that may become Permitted Assets after the date hereof and, in each case, the proceeds thereof, so long as such proceeds constitute “Permitted Assets” hereunder and (b) Permitted Affiliate Investments.

7.06. Amendments or Waivers of Organization Documents. The Borrower shall not directly or indirectly agree to any amendment, restatement, supplement or other modification to, or waiver of (including, without limitation, by way of merger), (i) any provision in Borrower’s Organization Documents (unless approved by the Initial Loan Lenders or, if no such Initial Loan Lenders are Lenders at such time, the Required Lenders) relating to the Independent Manager, Independent Manager Matters or the Borrower being a Special Purpose Entity, or (ii) any other provision of the Borrower’s Organization Documents after the Closing Date, except (in the case of this clause (ii)) to the extent the same could not reasonably be expected to have a Material Adverse Effect.

7.07. Restricted Payments; Payments on Permitted Affiliate Loans.

(a) The Borrower shall not declare or make, directly or indirectly, any Restricted Payment of Collateral, or incur any obligation (contingent or otherwise) to do so; provided that, for the avoidance of doubt, the Borrower may incur obligations to make and/or make Restricted Payments consisting of (i) the proceeds of the Loans, (ii) Pledged Shares and the proceeds thereon or therefrom if and to the extent such Pledged Shares can be disposed of pursuant to Section 7.04(a) and (iii) Eligible Cash Collateral and the proceeds therefrom if and to the extent such Eligible Cash Collateral would be permitted to be released from the Liens created under the Collateral Documents pursuant to Section 2.09(e).

(b) The Borrower shall not make, directly or indirectly, any payment with respect to Permitted Affiliate Loans (whether constituting principal, interest (other than interest added to the principal of such Permitted Affiliate Loans and Reorganization Subordinated Securities (as defined in such Permitted Affiliate Loans) or otherwise) except to the extent (i) no Event of Default (A) is continuing or (B) would result therefrom and (ii) immediately after giving effect thereto, the LTV Ratio shall be equal to or less than the Maintenance LTV; provided that it is understood and agreed that to the extent any such repayment is or is intended to be made with assets that constitute Collateral at the time of such payment, then such assets that constitute Collateral at the time of such payment must first be released as Collateral in accordance with the provisions of Section 2.09.

7.08. No Impairment of Collateral. The Borrower shall not take any action that would knowingly impair any Applicable Lender’s security interest in the Collateral (except for any actions taken with respect to Dispositions, Restricted Payments, Investments and/or releases of Collateral, in each case, otherwise permitted or not restricted by the Loan Documents).

7.09. Fundamental Changes. The Borrower shall not dissolve, liquidate, merge or consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) other than to the Secured Parties as provided in the Loan Documents.

7.10. Limitation on Borrower's Activities. The Borrower shall not, directly or indirectly, (i) engage in any business or conduct any activity other than, so long as not prohibited under the Loan Documents, (v) activities permitted under clauses (a) through (e) of the definition of Special Purpose Entity, (w) the acquisition, ownership, holding, voting, sale, transfer, exchange, assignment, disposition or management of, or other dealings in or with, Permitted Assets and/or Permitted Liabilities, (x) the performance of its obligations with respect to Permitted Liabilities, (y) performance of ministerial activities and payment of Taxes and administrative fees necessary for compliance with Permitted Liabilities and (z) the maintenance of its legal existence, including the ability to incur reasonable fees, costs and expenses in the ordinary course relating to such maintenance, (ii) enter into any Contractual Obligation, other than Permitted Liabilities or any other transaction or agreement between itself and any Person other than as not prohibited under this Agreement or the other Loan Documents, including with respect to Dispositions of Permitted Assets or (iii) have any employees or sponsor, maintain or contribute to, any Plan subject to Title IV of ERISA or any multiemployer plan, as defined in Section 3(37) of ERISA.

7.11. Status of Shares. The Borrower shall not transfer any Shares to the Collateral Accounts unless such Shares shall (i) be of the same class as securities listed on a national exchange registered under Section 6 of the Exchange Act or quoted in a U.S. automated inter-dealer quotation system and (ii) other than with respect to a Merger Share or Spin-Off Share, as of the Closing Date, have a “holding period” (for purposes of Rule 144) of at least twelve (12) months in the hands of the Borrower.

7.12. Investment Company. The Borrower shall not become, nor permit any Person Controlling the Borrower, to become, or become required to be, registered as an “investment company” within the meaning of the Investment Company Act.

7.13. Transactions with Affiliates. The Borrower shall not enter into any transaction of any kind with or make any payment or transfer to any Affiliate of the Borrower whether or not in the ordinary course of business, other than (i) Investments or Restricted Payments not prohibited under this Agreement, (ii) the Borrower’s acquisition, ownership, holding, sale, transfer, exchange, assignment, disposition or management of, or other dealings with respect to, Permitted Assets (and the exercise of the Borrower’s rights with respect thereto in a manner that is not prohibited by any provision of the Loan Documents) and/or Permitted Liabilities, (iii) dividends, distributions or Dispositions of Permitted Assets not prohibited under Section 7.04 or Section 7.07 hereunder, (iv) Permitted Affiliate Loans and payments made with respect thereto and (v) any other transaction permitted by clause (s) of the definition of Special Purpose Entity.

7.14. No Subsidiaries. The Borrower shall not have, form, create, organize, incorporate or acquire any Subsidiaries (including by a division or plan of division under Delaware law (or any comparable event under a different jurisdiction’s laws)) or conduct any business or hold any assets through any Subsidiary.

7.15. ERISA and Related Matters. The Borrower shall not:

(a) maintain, contribute or incur any obligation to, or agree to maintain, contribute or incur any obligation to, or permit any ERISA Affiliate to maintain, contribute or incur any obligation to or agree to maintain, contribute or incur any obligation to, any Plan where such obligation or agreement could reasonably be expected to have a Material Adverse Effect; or

(b) engage in or permit any transaction that would result in the assets or property of the Borrower being deemed to be “plan assets” (as defined in Section 3(42) of ERISA) or assets of any Plan pursuant to any substantially similar non-U.S. or other law.

7.16. Regulation of the Board of Governors. The Borrower shall not take any actions that would cause the transactions contemplated by the Loan Documents to violate, or result in a violation of, Regulations T, U, or X.

7.17. Certification of Public Information. Notwithstanding anything to the contrary herein or in any other Loan Document, the Borrower shall not provide any Lender or Agent with any material Non-public Information with respect to any Issuer, its Subsidiaries or their securities. Concurrently with the delivery of any document, notice or other communication regarding the transaction by or on behalf of the Borrower in connection with the Loan Documents (each, a “Communication”), the Borrower shall be deemed to have represented that such Communication does not contain any such material Non-public Information, with respect to any Issuer, its Subsidiaries or their securities. If any Communication is required to be delivered pursuant to this Agreement and is being distributed through DebtDomain, IntraLinks/IntraAgency, SyndTrak or another relevant website or other information platform (the “Platform”), such Communication shall not contain any such material Non-public Information.

7.18. Name, Form and Location. The Borrower shall not change its name or the name under which it does business, the form or jurisdiction of its organization, or the location of its chief executive office without the prior written consent of the Administrative Agent, such consent not to be unreasonably withheld, conditioned or delayed.

7.19. Limitation on Certain Sales. At all times during the period from, and including, the occurrence of an Event of Default under Section 8.01(a) or Section 8.01(b)(i)(x) with respect to Section 2.09(a), a Mandatory Prepayment Event (or an event that, with the passage of time, would result in a Mandatory Prepayment Event) or an acceleration of the Loans pursuant to Section 8.02 to, and including, the date twenty (20) calendar days immediately following the completion or termination of the related foreclosure by the Applicable Lenders under the Security Agreement, the Borrower will not, directly or indirectly, without the prior written consent of the Administrative Agent, (i) offer, pledge, sell, contract to sell, sell short, sell any call option or other right or warrant to purchase, purchase any put option, lend, hedge any “long” position in or otherwise transfer or dispose of, directly or indirectly, any Shares or any securities convertible into or exercisable or exchangeable for any Shares or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Shares, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of any Shares or such other securities, in

cash or otherwise.

7.20. Anti-Terrorism Laws. The Borrower shall not, and the Borrower shall cause the Parent not to, in each case:

(a) (i) violate any Anti-Terrorism Laws or (ii) engage in any transaction, investment, undertaking or activity that conceals the identity, source or destination of the proceeds from any category of prohibited offenses designated from time to time by the Organisation for Economic Co-operation and Development's Financial Action Task Force on Money Laundering (or any successor organization or task force); or

(b) (i) deal in, or otherwise engage in any transaction related to, any property or interests in property blocked pursuant to any Anti-Terrorism Law or (ii) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempt to violate, any of the prohibitions set forth in any Anti-Terrorism Law or the FCPA.

7.21. Dispositions of Shares by Parent. The Borrower shall cause the Parent and its Subsidiaries (other than the Borrower) not to Dispose of any Shares if the effect of any such Disposition would be to cause the amount of credit extended hereunder to exceed the maximum loan value (as defined in Regulation U of the FRB) of the collateral directly or indirectly securing such credit.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

8.01. Events of Default. Any of the following shall constitute an Event of Default:

(a) Non-Payment. The Borrower fails to pay when and as required to be paid herein any amount of principal of or interest on the Loans or any other amount payable hereunder or under any other Loan Document, including by reason of any payment required pursuant to Section 2.03, 2.04, 2.05 or 2.06; provided that if any payment of any amounts other than principal due and payable hereunder or under any other Loan Document is not paid when due, such failure shall not be an Event of Default unless such failure continues unremedied for five (5) days after the Borrower receives notice thereof from the Administrative Agent; or

(b) Other Defaults.

(i) Covenants. The Borrower (x) fails to perform or observe any term, covenant or agreement contained in any of Sections 2.09(a) or (d) (provided that (A) if a release of Collateral occurs in contravention of Section 2.09(d)(ii) or upon the unilateral action of the Custodian, and (B) such Collateral is returned within one (1) Business Day of delivery of notice from the Calculation Agent or any Lender to the Borrower that such release was erroneous and the conditions for such release had not been met, no Event of Default shall be deemed to have occurred) or Sections 6.03 or 6.04(a) or Article VII of this Agreement, (y) fails to perform or observe any term,

covenant or agreement contained in Section 6.05 of this Agreement on its part to be performed or observed and such failure continues unremedied for five (5) Business Days after the earlier of the date on which (A) the Borrower becomes aware of such failure or (B) the Borrower receives notice from the Administrative Agent of such failure or (z) fails to perform or observe any other covenant or agreement (not specified elsewhere in this Section 8.01 but in any event excluding Section 2.15) contained in any Loan Document on its part to be performed or observed and such failure continues unremedied for thirty (30) days after the earlier of the date on which (A) the Borrower becomes aware of such failure or (B) the Borrower receives notice from the Administrative Agent of such failure; or

(ii) Restricted Transactions. Splitco or any of its Subsidiaries enters into a Restricted Transaction; or

(c) Representations and Warranties. Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of the Borrower herein, in any other Loan Document or in any certificate, financial statement or other document delivered in connection herewith or therewith shall be false, incorrect or misleading in any material respect when made or deemed made; or

(d) Insolvency Proceedings, Etc. The Borrower institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes a general assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator, ad hoc manager or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator, ad hoc manager or similar officer is appointed without the application or consent of the Borrower, as the case may be, and the appointment continues undischarged for sixty (60) days; or any proceeding under any Debtor Relief Law relating to the Borrower or to all or any material part of its property is instituted without the consent of the Borrower, as the case may be, and continues undismissed for thirty (30) days, or an order for relief is entered in any such proceeding; or

(e) Inability to Pay Debts; Attachment. (i) The Borrower admits in writing its inability or fails generally to pay its debts as they become due, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of the Borrower and is not released or vacated within sixty (60) days after its issue or levy; or

(f) Judgments. There is entered against the Borrower a judgment, decree or order for the payment of money that (x) individually or taken together with any other such judgments, decrees and/or orders exceeds the Threshold Amount and (y) is not fully covered by insurance as to which a solvent insurance company that is not an Affiliate of the Borrower has not denied coverage and (A) enforcement proceedings are commenced upon such judgment or order or (B) such judgment, order or decree shall not have been vacated, discharged or stayed within sixty (60) days from entry; or

(g) Invalidity of Loan Documents. Any provision of any Loan Document at any time after its execution and delivery and for any reason other than satisfaction in full of all the Obligations (other than contingent obligations for which no claim has been made) or termination in accordance with the terms thereof ceases to be in full force and effect; or the Borrower contests in any manner the validity or enforceability of any provision of any Loan Document applicable to it or the Borrower denies that it has any or further liability or obligation under any Loan Document or purports to revoke, terminate or rescind any provision of any Loan Document; or

(h) Lien Defects. Subject to the Borrower's cure rights set forth in clause (b) of this Section 8.01, any Lien created by any of the Collateral Documents shall, except as expressly permitted by this Agreement and the other Loan Documents, at any time fail to constitute a valid and perfected Lien on all of the Collateral purported to be subject thereto, securing the Obligations purported to be secured thereby, subject to no prior or equal Lien (except as permitted hereunder), or the Borrower shall so assert in writing, other than any such failure arising or resulting primarily from any action or inaction on the part of a Secured Party or the Custodian; or

(i) Cross-Default. (i) The Borrower shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Indebtedness (other than the Obligations) in excess of the Threshold Amount, when and as the same shall become due and payable (after the expiration of any grace or cure period applicable thereto); or (ii) any event or condition occurs that results in any Indebtedness (other than the Obligations) of the Borrower in excess of the Threshold Amount becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any such Indebtedness or any trustee or agent on its or their behalf to cause any such Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity (or to require an offer to purchase or redeem or prepay to be made to the holders of such Indebtedness or a payment be made under any Indebtedness constituting a guaranty of Indebtedness in excess of the Threshold Amount), but in each case, only after the expiration of any grace or cure period applicable thereto; provided that this clause (i) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness, and in connection therewith such secured Indebtedness which is due is repaid.

8.02. Remedies upon Event of Default. If any Event of Default occurs and is continuing:

(a) the Administrative Agent may and, upon request from the Required Lenders, shall, and each Lender may individually (as to its own Loans and Commitments) (i) terminate forthwith the Commitments of the Lenders (or if a Lender is taking such action individually, the Commitment of such Lender, as applicable) and (ii) declare the unpaid principal amount of the Loans (or if a Lender is taking such action individually, the Loans owing to such Lender, as applicable), all interest accrued and unpaid thereon, any Prepayment

Amount, if applicable, and all other amounts owing or payable hereunder or under any other Loan Document to all Lenders or (if a Lender is taking such action individually, to such Lender, as applicable), to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower; and

(b) each Applicable Lender may exercise all rights and remedies available to it under the Loan Documents (including the enforcement of any and all Liens created pursuant to the Collateral Documents) and applicable Law;

provided that upon the occurrence of any Event of Default pursuant to Section 8.01(d) or 8.01(e), the Commitments of all Lenders shall automatically terminate and the unpaid principal amount of the Loans, any Prepayment Amount (if applicable to the Type of such Loans) and all interest and other amounts as aforesaid shall automatically become due and payable, in each case without further act of any Lender or Agent. If any Lender elects to take any of the foregoing actions individually (without the Administrative Agent acting on behalf of such Lender), such Lender shall notify the other Lenders and the Administrative Agent of such election and action prior to or substantially concurrently with the taking of such action.

8.03. Application of Funds. (%3) After the exercise of any remedies provided for in Section 8.02 (or after the Loans have automatically become due and payable as set forth in the proviso to Section 8.02), any amounts received by the Administrative Agent from the Borrower on account of the Obligations of all Lenders (excluding, for the avoidance of doubt, any amounts received by any Person, including the Administrative Agent, in connection with the exercise of any remedies by an Applicable Lender with respect to Collateral under its control, pursuant to the Collateral Account Control Agreement, as provided for in Section 8.02(b)) after giving effect to clause (b) below, subject to the provisions of Section 2.13, shall be applied:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Agents and amounts payable under Sections 3.01, 3.03 and 3.04) payable to each Agent in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders arising under the Loan Documents and amounts payable under Sections 3.01, 3.03 and 3.04, ratably among them in proportion to the respective amounts described in this clause Second payable to them;

Third, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans and other Obligations arising under the Loan Documents, ratably among the Lenders in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans ratably among the Lenders in proportion to the respective amounts described in this clause Fourth held by them;

Fifth, to payment of any other Obligations ratably to the Secured Parties according to such Obligations owing to the Secured Parties; and

Sixth, the balance, if any, after all of the Obligations (other than contingent obligations in respect of which no claim has been asserted) have been indefeasibly paid in full, to the Borrower or as otherwise required by Law.

(b) Notwithstanding anything to the contrary contained herein, in connection with the exercise of any remedies by an Applicable Lender with respect to its Applicable Collateral all proceeds received by any Applicable Lender with respect to any sale of, any collection from, or other realization upon all or any part of such Applicable Lender's "Applicable Collateral" (as defined in the Security Agreement) shall be applied by such Applicable Lender against the Obligations as provided in Section 6(g) of the Security Agreement and such Applicable Lender shall promptly notify the Administrative Agent thereof.

8.04. Certain Provisions Related to Applicable Lenders.

(a) For the avoidance of doubt, each Applicable Lender may choose to exercise any remedies provided for herein or in any other Loan Document, or refrain from exercising such remedies, in its sole discretion with respect to its "Applicable Collateral" (as defined in the Collateral Account Control Agreement). No Applicable Lender shall have any fiduciary or other express or implied duties to the other Lenders in connection with the exercise of remedies with respect to its Applicable Collateral or otherwise and no Lender shall interfere with such exercise of remedies, it being understood and agreed that all powers, rights and remedies under the Loan Documents may be exercised solely by each Applicable Lender in its capacity as collateral agent for the benefit of itself, each of its Agented Lenders and each of the Agents (solely, in the case of each Agent, to the extent of such Applicable Lender's Applicable Percentage of any Obligations owing to such Agent in its capacity as an Agent and not as a Lender, Applicable Lender, Agented Lender or otherwise) in accordance with the terms thereof. No Lender shall claim (or support any claim by any third party) that a sale or other disposition of such Applicable Lender's Applicable Collateral by such Applicable Lender was not commercially reasonable. Each Applicable Lender shall be deemed to have exercised reasonable care in the custody and preservation of its Applicable Collateral in its possession if such Applicable Collateral is accorded treatment reasonably equal to that which such Applicable Lender accords its own property.

(b) In connection with any assignment by a Lender, the Borrower agrees to (i) (x) unless the applicable assignee elects to be an Agented Lender with respect to such assigned interest or is an existing Applicable Lender and the establishment of a Collateral Account and the execution and delivery of joinders to the Collateral Account Control Agreement is not necessary due to such Applicable Lender's existing Collateral Account and Collateral Account Control Agreement or (y) otherwise, (I) establish a separate Collateral Account with the Custodian, (II) enter into a joinder to the Collateral Account Control Agreement with respect to such Collateral Account and a joinder to the Security Agreement (which joinders shall be acknowledged by the Administrative Agent and the Calculation Agent), and (III) if reasonably

requested by the Custodian, enter into a customer account agreement or other agreement with the Custodian and (ii) make appropriate amendments to this Agreement and the other Loan Documents to reflect any administrative, technical or similar changes as are reasonably requested by the Applicable Lenders, the assignee or the Administrative Agent.

(c) Upon any Applicable Lender's sale or other disposition of its Applicable Collateral pursuant to this Agreement and the Security Agreement, the security interest of each other Person in such Collateral shall automatically terminate. Each Agent and Lender will execute, deliver and file such documents (including UCC-3 financing statements), if any, reasonably requested by an Applicable Lender to evidence such Lender's release of its security interest in the Collateral pledged to the foreclosing Applicable Lender that has been sold or otherwise disposed of.

(d) Each Lender agrees that it will not challenge or question or support any other Person in challenging or questioning in any proceeding the validity, attachment, perfection or priority of any Lien of any Applicable Lender under any Collateral Document or the validity or enforceability of the priorities, rights or duties with respect to the Collateral established by the other provisions of this Agreement.

ARTICLE IX

AGENTS

9.01. Authorization and Authority.

(a) Each Lender and each other Agent hereby irrevocably appoints JPMorgan Chase Bank, N.A., London Branch to act on its behalf as the Calculation Agent and JPMorgan Chase Bank, N.A., London Branch to act on its behalf as the Administrative Agent, in each case hereunder and under the other Loan Documents and authorizes each Agent to take such actions on its behalf and to exercise such powers as are delegated to such Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. In performing its functions and duties hereunder, each Agent shall act solely as an agent of Lenders and any other Agent and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for the Borrower. It is understood and agreed that the use of the term "agent" (or any similar term) herein or in any other Loan Document with reference to the Administrative Agent or the Calculation Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead, such term is used as a matter of market custom and is intended to create or reflect only an administrative relationship between contracting parties.

(b) Each of the Agents hereby irrevocably appoints each Applicable Lender and each of the Agented Lenders of an Applicable Lender hereby irrevocably appoints each such Applicable Lender, in each case, as its collateral agent for the benefit of itself, each such Agented Lender and the Agents to act on its behalf for purposes of the Collateral Account Control Agreement to which it is a party, Section 8.03 and the Security Agreement and

authorizes each Applicable Lender to take such actions on its behalf and to exercise such powers as are contemplated by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. In performing its functions and duties hereunder, each Applicable Lender shall act solely as an agent of each of its Agented Lenders and each of the Agents (solely, in the case of each Agent, to the extent of such Applicable Lender's Applicable Percentage of any Obligations owing to such Agent in its capacity as an Agent and not as a Lender, Applicable Lender, Agented Lender or otherwise) and does not assume and shall not be deemed to have assumed any other obligation towards or fiduciary relationship or trust with or for the Borrower, any other Lender or any Agent

(c) The provisions of this Article IX are solely for the benefit of the Agents and the Lenders, and the Borrower shall not have rights as a third party beneficiary of any of such provisions, except as the same relate to the performance or observance of any of the provisions set forth in Section 9.06 and Section 9.08, which are also for the benefit of, and are binding upon, the Borrower.

9.02. Agent Individually.

(a) Each Person serving as an Agent hereunder that is also a Lender 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 such Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include each Person serving as an Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Affiliate thereof as if such Person were not an Agent hereunder and without any duty to account therefor to the Lenders.

(b) Each Lender understands that each Person serving as an Agent, acting in its individual capacity, and its Affiliates (collectively, an "Agent's Group") are engaged in a wide range of financial services and businesses (including investment management, financing, securities trading, corporate and investment banking and research) (such services and businesses are collectively referred to in this Section 9.02 as "Activities") and may engage in the Activities with or on behalf of the Borrower or its Affiliates. Furthermore, an Agent's Group may, in undertaking the Activities, engage in trading in financial products or undertake other investment businesses for its own account or on behalf of others (including the Borrower and its Affiliates and including holding, for its own account or on behalf of others, equity, debt and similar positions in the Borrower or its Affiliates), including trading in or holding long, short or derivative positions in securities, loans or other financial products of one or more of the Borrower and its Affiliates. Each Lender understands and agrees that in engaging in the Activities, an Agent's Group may receive or otherwise obtain information concerning the Borrower and its Affiliates (including information concerning the ability of the Borrower to perform its obligations hereunder or under the other Loan Documents) which information may not be available to any of the Lenders that are not members of an Agent's Group. No Agent nor any member of such Agent's Group shall have any duty to disclose to any Lender

or use on behalf of the Lenders, and shall not be liable for the failure to so disclose or use, any information whatsoever about or derived from the Activities or otherwise (including any information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of the Borrower or any Affiliate thereof) or to account for any revenue or profits obtained in connection with the Activities, except that an Agent shall deliver or otherwise make available to each Lender such documents as are expressly required by this Agreement to be transmitted by an Agent to the Lenders.

(c) Each Lender further understands that there may be situations where members of an Agent's Group or their respective customers (including the Borrower and its Affiliates) either now have or may in the future have interests or take actions that may conflict with the interests of any one or more of the Lenders (including the interests of the Lenders hereunder). Each Lender agrees that no member of an Agent's Group is or shall be required to restrict its activities as a result of the Person serving as an Agent being a member of such Agent's Group, and that each member of an Agent's Group may undertake any Activities without further consultation with or notification to any Lender. None of (i) the Loan Documents, (ii) the receipt by an Agent's Group of information (including Information) concerning the Borrower or its Affiliates (including information concerning the ability of the Borrower to perform its obligations hereunder and under the other Loan Documents) nor (iii) any other matter shall give rise to any fiduciary, equitable or contractual duties (including any duty of trust or confidence) owing by an Agent or any member of such Agent's Group to any Lender including any such duty that would prevent or restrict an Agent's Group from acting on behalf of customers (including the Borrower or its Affiliates) or for its own account.

9.03. Duties of the Agents; Exculpatory Provisions.

(a) An Agent's duties hereunder and under the other Loan Documents are solely ministerial and administrative in nature and no Agent shall have any duties or obligations except those expressly set forth herein or therein. Without limiting the generality of the foregoing, an Agent (i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing, (ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that such Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein) (and shall be fully protected in so acting or refraining from acting); provided that an Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose such Agent or any of its Affiliates to liability or that is contrary to any Loan Document or applicable Law, including, for the avoidance of doubt, any action that may be in violation of the automatic stay (if any) under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law, and (iii) shall not, except as expressly set forth herein, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by such Agent or any of its Affiliates in any capacity. No Agent shall be required to expend or risk its own funds in

the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(b) No Agent shall be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as such Agent shall believe in good faith shall be necessary, under the circumstances as provided in Section 10.01 or Section 8.02) or (ii) in the absence of its own gross negligence or willful misconduct. No Agent shall be deemed to have knowledge of any Default or Event of Default or the event or events that give or may give rise to any Default or Event of Default unless and until the Borrower or any Lender shall have given notice to such Agent describing such Default or Event of Default and such event or events.

(c) No Agent nor any member of an Agent's Group shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty, representation or other information made or supplied in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith or the adequacy, accuracy and/or completeness of the information contained therein, (iii) the performance or observance of any of the covenants, agreements or other terms, conditions or provisions set forth herein or in any of the other Loan Documents, or as to the use of the proceeds of the Loans, or as to the existence or possible existence of any Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or the perfection or priority of any Lien or security interest created or purported to be created hereby or thereby or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than (but subject to the foregoing clause (ii)) to confirm receipt of items expressly required to be delivered to an Agent.

(d) Nothing in this Agreement shall require an Agent or any of its Related Parties to carry out any "know your customer" or other checks in relation to any Person on behalf of any Lender and each Lender confirms to the Agents that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by an Agent or any of its Related Parties.

(e) Notwithstanding anything to the contrary contained herein or in any other Loan Document, no Agent, in its capacity as such, shall have any powers, duties or responsibilities under this Agreement or any other Loan Documents, except in its capacity, as applicable, as such Agent hereunder or thereunder.

9.04. Reliance by Agent. Each 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 (including any telephonic or electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. Each Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made

by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of the Loans that by its terms must be fulfilled to the satisfaction of a Lender, each Agent may presume that such condition is satisfactory to such Lender unless an officer of an Agent responsible for the transactions contemplated hereby shall have received notice to the contrary from such Lender (in accordance with Section 10.02) prior to the making of the Loans. Each Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

9.05. Delegation of Duties. An Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Documents by or through any one or more agents or sub agents appointed by such Agent, and such Agent and any such agent or sub agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties; provided that in each case that no such delegation to an agent, sub agent or a Related Party shall release an Agent from any of its obligations hereunder. Each such agent or sub agent and the Related Parties of an Agent and each such agent or sub agent shall be entitled to the exculpatory benefits of all provisions of this Article IX and Section 10.04 (as though such Persons were an “Agent” hereunder and under the other Loan Documents) as if set forth in full herein with respect thereto. An Agent shall not be responsible for the negligence or misconduct of any agents or sub agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that such Agent acted with gross negligence or willful misconduct in the selection of such agent or sub agent.

9.06. Resignation of an Agent. An Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right to appoint a successor in consultation with the Borrower (unless an Event of Default has occurred and is continuing), which shall be a bank with an office in New York, New York, or an Affiliate of any such bank (x) with an office in New York, New York and (y) a combined capital surplus of \$1,000,000,000. If a Person serving as an Agent is a Defaulting Lender or an Affiliate of a Defaulting Lender, or, subject to the provisions of Section 2.09, the Calculation Agent has failed to deliver a Collateral Shortfall Notice, the Required Lenders may, to the extent permitted by applicable law, by notice in writing to the Borrower and such Person remove such Person as Agent and, in consultation with the Borrower (except when an Event of Default exists), appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Agent gives notice of its resignation (such 30-day period, the “Lender Appointment Period”), then the retiring Agent may on behalf of the Lenders appoint a successor Agent meeting the qualifications set forth above; provided that in no event shall any such successor be a Defaulting Lender. In addition and without any obligation on the part of the retiring Agent to appoint, on behalf of the Lenders, a successor Agent, the retiring Agent may at any time upon or after the end of the Lender Appointment Period notify the Borrower and the Lenders that no qualifying Person has accepted appointment as successor Agent and the effective date of such retiring Agent’s resignation, which effective date shall

be no earlier than three (3) Business Days after the date of such notice. Upon the resignation effective date established in such notice, or the date on which the Required Lenders remove an Agent as set forth above, and regardless of whether a successor Agent has been appointed and accepted such appointment, the retiring or removed Agent's resignation or removal shall nonetheless become effective and (i) the retiring or removed Agent shall be discharged from its duties and obligations as an Agent hereunder and under the other Loan Documents but shall not be relieved of any of its obligations as a Lender, and (ii) all payments, communications and determinations provided to be made by, to or through such Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Agent as provided for above in this Section 9.06. Upon the acceptance of a successor's appointment as an Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties as an Agent of the retiring, retired or removed Agent (other than any rights to indemnity payments owed to the retiring, retired or removed Agent) and the retiring, retired or removed Agent shall be discharged from all of its duties and obligations as an Agent hereunder and/or under the other Loan Documents but shall not be relieved of any of its obligations as a Lender (if not already discharged therefrom as provided above in this Section 9.06). The fees payable by the Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring, retired or removed Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Article IX and Section 10.04 shall continue in effect for the benefit of such retiring, retired or removed 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 the retiring or removed Agent was acting as an Agent. Notwithstanding anything herein to the contrary, (a) if at any time any Agent ceases to be a Lender hereunder, such Agent shall be deemed to have provided its notice of resignation, which notice shall be automatically effective as of the date such Agent ceased to be a Lender hereunder, (b) if at any time the Person serving as the Administrative Agent ceases to be the Administrative Agent hereunder, such Person shall be deemed to have provided its notice of resignation as Calculation Agent, which notice shall be automatically effective as of the date such Person ceased to be the Administrative Agent hereunder, and (c) if at any time the Person serving as the Calculation Agent ceases to be the Calculation Agent hereunder, such Person shall be deemed to have provided its notice of resignation as Administrative Agent, which notice shall be automatically effective as of the date such Person ceased to be the Calculation Agent hereunder.

9.07. Non-Reliance on the Agents and Other Lenders.

(a) Each Lender acknowledges and agrees that the extensions of credit made hereunder are commercial loans and not investments in a business enterprise or securities. Each Lender confirms to the Agents, each other Lender and each of their respective Related Parties that it (i) possesses (individually or through its Related Parties) such knowledge and experience in financial and business matters that it is capable, without reliance upon any of the Agents, any other Lender or any of their respective Related Parties, of evaluating the merits and risks (including tax, legal, regulatory, credit, accounting and other financial matters) of (x) entering into this Agreement, any other Loan Document or any related agreement or

any document furnished hereunder or thereunder, (y) making the Loans and (z) taking or not taking actions hereunder, (ii) is financially able to bear such risks and (iii) based on such documents and information as it has deemed appropriate, has performed its own analysis and made its own decision (credit, legal and otherwise) that entering into this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder and that the making of the Loans are suitable and appropriate for it.

(b) Each Lender acknowledges that (i) it is solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with this Agreement and the other Loan Documents, (ii) it has, independently and without reliance upon the Agents, any other Lender or any of their respective Related Parties, made its own appraisal and investigation of all risks associated with, and its own credit analysis and decision to enter into, this Agreement based on such documents and information as it has deemed appropriate and (iii) it will, independently and without reliance upon any Agents, any other Lender or any of their respective Related Parties, continue to be solely responsible for making its own appraisal and investigation of all risks arising under or in connection with, and its own decisions (credit, legal and otherwise) to take or not take action under, this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder based on such documents and information as it shall from time to time deem appropriate, which may include, in each case:

(i) the financial condition, status and capitalization of the Borrower;

(ii) the legality, validity, effectiveness, adequacy or enforceability of this Agreement and the other Loan Documents and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with this Agreement;

(iii) determining compliance or non-compliance with any condition hereunder to the making of the Loans and the form and substance of all evidence delivered in connection with establishing the satisfaction of each such condition; and

(iv) the adequacy, accuracy and/or completeness of any other information delivered by the Agents, any other Lender or by any of their respective Related Parties under or in connection with this Agreement, the other Loan Documents, the transactions contemplated hereby and thereby or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with this Agreement.

9.08. Lenders' Rights with Respect to Collateral.

(a) Each Lender (other than an Agent Lender), upon becoming a Lender hereunder, shall establish a Collateral Account with the Custodian. The Borrower (or in the case of any Lender taking pursuant to an Assignment and Assumption, the applicable assignor) shall instruct the Custodian to transfer to such Collateral Account (or, in the case of an Agent Lender,

Lender, to the relevant Applicable Lender's Collateral Account) such Lender's Ratable Share of the Collateral (including, ratably, the Pledged Shares and any other Collateral and, if applicable, any proceeds in respect of the Eligible Assignee's Ratable Share of the Collateral); provided that, in the case of an Agented Lender, if the relevant Applicable Lender is the assignor, such Agented Lender and Applicable Lender may agree to retain such Collateral in the existing Collateral Accounts or to transfer such Collateral to a new Collateral Account over which such Applicable Lender has, or purports to have, control.

(b) Anything contained in any of the Loan Documents to the contrary notwithstanding, the Borrower, the Administrative Agent and each Lender hereby agree that (i) after and during the continuance of an Event of Default, each Applicable Lender shall have the right individually to require the Custodian to realize upon any of its Applicable Collateral and to apply the proceeds thereof to the repayment of such Applicable Lender's (and, ratably, its Agented Lenders', if applicable) portion of the Loans and other Obligations as provided in Section 6(g) of the Security Agreement and (ii) in the event of a foreclosure or similar enforcement action by such Applicable Lender on its Applicable Collateral pursuant to a public or private sale or other disposition (including pursuant to Section 363(k), Section 1129(b)(2)(a)(ii) or otherwise of the Bankruptcy Code), such Applicable Lender may be the purchaser or licensor of any or all of such Applicable Collateral at any such sale or other disposition, subject to Section 6(b) of the Security Agreement.

(c) Notwithstanding anything to the contrary contained herein or in any other Loan Document, each Lender shall (and, if such Lender is an Agented Lender, such Agented Lender shall instruct its Applicable Lender to) (without notice to, or vote or consent of, any other Lender) take such actions as shall be necessary and proper or reasonably requested by the Borrower to effect a release of such Lender's security interest in any Collateral, (i) subject to, and in accordance with, Section 7(n) of the Security Agreement, when all Obligations of such Lender (other than unmatured contingent indemnification obligations) have been paid in full and all Commitments of such Lender have terminated or expired or (ii) when such Collateral is expressly permitted to be released pursuant to Section 2.09.

(d) Each Agent hereby further authorizes each Applicable Lender and each of the Agented Lenders of an Applicable Lender hereby further authorizes each such Applicable Lender, in each case, to enter into the Loan Documents as secured party on behalf of and for the benefit of itself, each of its Agented Lenders and each of the Agents (solely, in the case of each Agent, to the extent of such Applicable Lender's Applicable Percentage of any Obligations owing to such Agent in its capacity as an Agent and not as a Lender, Applicable Lender, Agented Lender or otherwise) and agrees to be bound by the terms of the Loan Documents. Without limiting the provisions of Section 9.10, the Lenders and the Agents irrevocably authorize each Applicable Lender (as to its Applicable Collateral) and each Lender and each Agent irrevocably authorizes the Calculation Agent, at its option and in its discretion, as applicable, to release any Lien on any Collateral (i) upon termination of the aggregate Commitments and payment in full of all Obligations (other than contingent obligations with respect to which no claim has been made) (or, in the case of any Applicable Lender, upon the termination of the aggregate Commitments held by, and payment in full of all Obligations

(other than contingent obligations with respect to which no claim has been made) owing to, such Applicable Lender and its Agented Lenders or Agents (solely, in the case of each Agent, to the extent of such Applicable Lender's Applicable Percentage of any Obligations owing to such Agent in its capacity as an Agent and not as a Lender, Applicable Lender, Agented Lender or otherwise), as applicable) or (ii) that is expressly permitted to be released pursuant to Section 2.09.

9.09. Withholding Taxes. To the extent required by any applicable law, the Administrative Agent may withhold from any payment to any Lender an amount equivalent to any applicable withholding Tax. If the IRS or any other Governmental Authority asserts a claim that the Administrative Agent did not properly withhold Tax from amounts paid to or for the account of any Lender because the appropriate form was not delivered or was not properly executed or because such Lender failed to notify the Administrative Agent of a change in circumstance which rendered the exemption from, or reduction of, withholding Tax ineffective or for any other reason, or if Administrative Agent reasonably determines that a payment was made to a Lender pursuant to this Agreement without deduction of applicable withholding Tax from such payment, such Lender shall indemnify the Administrative Agent fully for all amounts paid, directly or indirectly, by the Administrative Agent as Tax or otherwise, including any penalties or interest and together with all expenses (including legal expenses, allocated internal costs and out-of-pocket expenses) incurred.

9.10. Administrative Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to the Borrower, the Administrative Agent (irrespective of whether the principal of any Loans shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other obligations that are owing and unpaid to the Agents or the Lenders under the Loan Documents and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Agents (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Agents and their respective agents and counsel and all other amounts due the Lenders and the Agents under the Loan Documents) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due the Administrative Agent under the Loan Documents.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the obligations owed by the Borrower hereunder or the rights of any Lender or to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding

ARTICLE X

MISCELLANEOUS

10.01. Amendments, Etc. (a) No amendment, modification or waiver of any provision of this Agreement or any other Loan Document, nor consent to any departure by the Borrower therefrom, shall in any event be effective unless the same (i) shall be in writing and signed by the Required Lenders and the Borrower and (ii) notice of such amendment, modification, waiver or consent, together with an executed copy of such amendment, modification waiver or consent, is provided to the Agents (and the Administrative Agent shall endeavor to promptly provide such notice and copy to the Lenders), and then any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided that no amendment, modification, waiver or consent shall be effective if the effect thereof would be to:

(i) extend or increase the Commitment of any Lender without the written consent of such Lender (it being understood that any such amendment, modification or waiver shall not require the separate consent of any other Lenders, including, for the avoidance of doubt, Required Lenders); provided that, notwithstanding the foregoing, any amendment, modification or waiver that increases the aggregate principal amount of the Commitments and Loans permitted to be incurred hereunder shall require the consent of the Required Lenders;

(ii) extend the scheduled final maturity of a Loan or Note without the written consent of the Lender holding such Loan or Note (it being understood that any such amendment, modification or waiver shall not require the separate consent of any other Lenders, including, for the avoidance of doubt, Required Lenders);

(iii) (x) amend, modify or waive any condition set forth in Section 4.02 (other than Section 4.02(d)) as to any Borrowing of any Loan without the written consent of each Lender with a then outstanding Commitment to fund such Loan (it

being understood that any such amendment, modification or waiver shall not require the separate consent of any other Lenders, including, for the avoidance of doubt, Required Lenders) or (y) amend, modify or waive the condition set forth in Section 4.02(d) without the written consent of each Lender (it being understood that the waiver of any Default or the amendment, waiver or other modification of any representation, warranty, covenant or other provision of the Loan Documents (other than Section 4.02) effected in accordance with this Section 10.01 shall not require the separate consent of the Delayed Draw Lenders or the Revolving Lenders);

(iv) waive, reduce or postpone any scheduled repayment or mandatory prepayment of a Loan or Note under Section 2.03 or Section 2.05 (but not voluntary prepayment) without the consent of the Lender holding such Loan or Note (it being understood that any such amendment, modification or waiver shall not require the separate consent of any other Lenders, including, for the avoidance of doubt, Required Lenders);

(v) reduce the rate of interest on any Loan or any fee or any Prepayment Amount payable to any Lender hereunder without the consent of such affected Lender (it being understood that (A) any such amendment, modification or waiver shall not require the separate consent of any other Lenders, including, for the avoidance of doubt, Required Lenders and (B) for the avoidance of doubt, to the extent any Lender is not entitled to receive a Prepayment Amount pursuant to the definition of "Prepayment Amount," such non-payment shall not constitute a reduction in the Prepayment Amount pursuant to this clause (v));

(vi) extend the time for payment of any such interest or fees without the consent of each Lender directly affected thereby (it being understood that any such amendment, modification or waiver shall not require the separate consent of any other Lenders, including, for the avoidance of doubt, Required Lenders);

(vii) reduce the principal amount of any Loan without the consent of each Lender directly affected thereby (it being understood that any such amendment, modification or waiver shall not require the separate consent of any other Lenders, including, for the avoidance of doubt, Required Lenders);

(viii) except as otherwise permitted under Section 1.02(d) or Section 1.02(g), decrease the Minimum Price or increase the LTV Margin Call Level, the Initial LTV Level or the Maintenance LTV without the consent of each Lender;

(ix) (x) amend, modify, terminate or waive any provision of this Section 10.01 or any other provision of this Agreement that specifies the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, (y) change the definition of "Required Lenders" without the consent of each Lender or (z) change the definition of "Required Revolving Lenders" without the consent of each Revolving Lender.

(x) amend the definition of “Ratable Share”, “Pro Rata Basis” or “Applicable Percentage”, or change Section 2.12 or Section 2.14 in a manner that would alter the pro rata sharing required thereby, in each case, without the consent of each Lender;

(xi) [reserved];

(xii) consent to the assignment or transfer by the Borrower of any of its rights and obligations under any Loan Document without the consent of each Lender; or

(xiii) amend, modify or waive Section 2.09 without the consent of each Lender;

provided, further, that, notwithstanding anything to the contrary herein, (A) the Calculation Agent may (x) adjust one or more terms of any Loan Document, (i) subject to and in accordance with the terms and provisions of Section 1.02(g), or (ii) upon the occurrence of any Issuer Merger Event, Spin-Off Event or Potential Adjustment Event, subject to and in accordance with the terms and provisions of Section 1.02(d), and (y) determine the effective date(s) of the adjustment(s), in each case, without the consent of any other party (provided that the Administrative Agent shall endeavor to provide prompt notice of such adjustments to the Lenders), (B) if, following the Closing Date, the Administrative Agent and the Borrower shall have jointly identified an ambiguity, inconsistency, obvious error or any error or omission of a technical or immaterial nature, in each case, in any provision of any Loan Document, then the Administrative Agent and the Borrower shall be permitted to amend such provision to correct such ambiguity, inconsistency, error or omission, and such amendment shall become effective without any further action or consent of any other party to any Loan Documents if the same is not objected to in writing by the Required Lenders within five (5) Business Days following receipt of notice thereof, (C) an alternate rate of interest may be adopted in replacement of LIBOR as provided for in Section 2.06(c), and (D) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than the Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender disproportionately adversely relative to other affected Lenders shall require the consent of such Defaulting Lender. Any such adjustments pursuant to the immediately preceding proviso shall be binding on all parties to the Loan Documents (other than, in the case of the Collateral Account Control Agreement, the Custodian (unless the Custodian consents thereto)) and all such parties shall enter into such documentation required to reflect such adjustments.

(b) No amendment or waiver of any provision of this Agreement or any other Loan Document, nor consent to any departure by the Borrower therefrom, shall amend, modify, terminate or waive any provision of Article IX as the same applies to any Agent, or any other

provision hereof as the same applies to the rights or obligations of any Agent, in each case without the consent of such Agent.

10.02. Notices; Effectiveness; Electronic Communications.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile transmission, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 10.02.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been delivered, received or given (as applicable) when received; notices sent by facsimile transmission shall be deemed to have been delivered, received or given (as applicable) when sent (except that, if not delivered, received or given during normal business hours for the recipient, shall be deemed to have been delivered, received or given (as applicable) at the opening of business on the next Business Day for the recipient). Notices delivered through electronic communications to the extent provided in subsection (b) below shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to any Person hereunder or under the other Loan Documents may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by such Person. An Agent, a Lender or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder or under the other Loan Documents by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Unless a Person otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed delivered, received or given (as applicable) when sent (provided that, if the sender receives electronic notification that the message containing such notice or other communication is undeliverable, such notice or other communication shall not be deemed delivered, received or given, as applicable); provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been delivered, received or given (as applicable) at the opening of business on the next Business Day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed delivered, received or given (as applicable) upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; provided that if such notice or communication is not sent during normal business hours of the recipient, such notice or communication shall be deemed delivered, received or given upon the opening of business on the next Business Day for the recipient.

Notwithstanding the foregoing, each Collateral Shortfall Notice, Borrowing Request, Voluntary Prepayment Notice, Mandatory Prepayment Notice, PIK Interest Election Notice, and any notice delivered pursuant to Section 2.09(e) and any notice of termination or reduction of Commitments may be delivered electronically.

(c) Change of Address, Etc. Each of the Borrower, an Agent and a Lender may change its address, facsimile number or telephone number for notices and other communications hereunder by notice to the other party.

(d) Reliance. Each Lender and Agent shall be entitled to rely and act upon any notices reasonably believed by it to have been given by or on behalf of the Borrower. The Borrower shall indemnify the Lenders, the Agents and each of their Related Parties from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice reasonably believed by it to have been given by or on behalf of the Borrower in accordance with this Section 10.02. All telephonic notices to and other telephonic communications with a Lender or an Agent may be recorded by such Lender or Agent and the Borrower hereby consents to such recording.

(e) The Platform. ANY ELECTRONIC PLATFORM PROVIDED BY THE ADMINISTRATIVE AGENT IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS, FOR A PARTICULAR PURPOSE, NON-

INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall any Agent or any of its Related Parties (collectively, the “Agent Parties”) have any liability to the Borrower, any Lender, or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower’s or any Agent’s transmission of Borrower Materials or notices through the Platform, any other electronic platform or electronic messaging service, or through the Internet.

(f) The Borrower hereby acknowledges and agrees that (i) the Administrative Agent and the Calculation Agent may, but shall not be obligated to, make available to the Lenders and the other Agents materials and/or information provided by or on behalf of the Borrower hereunder, including, without limitation, any Communications (collectively, the “Borrower Materials”), by posting the Borrower Materials on the Platform, (ii) the Agents and the Lenders are authorized to treat the Borrower Materials as not containing any material Non-public Information, and (iii) the Borrower Materials may be distributed to the Lenders and Agents through a portion of the Platform designated as “Public Side Information”.

(g) The Calculation Agent will endeavor to promptly provide (i) copies of any Mandatory Prepayment Notices or Collateral Shortfall Notices delivered to the Borrower under Section 2.05(a) or 2.09(a) to each Lender, (ii) any determination of LTV Event Amounts or adjustments of Collateral Value under Section 2.09(a) to each Lender.

10.03. No Waiver; Cumulative Remedies. No failure by an Agent or a Lender to exercise, and no delay by an Agent or a Lender in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by Law.

10.04. Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Borrower shall pay all reasonable and documented out-of-pocket expenses incurred by the Lenders, the Agents and their Affiliates (which, in the case of legal expenses, shall be limited to the reasonable and documented fees, charges and disbursements of a single counsel selected together by the Agents and the reasonable and documented fees, charges and disbursements of a single special counsel to the Lenders and the Agents in each relevant specialty (in each case except allocated costs of in-house counsel)) in connection with (A) the preparation, negotiation, execution and delivery of this Agreement and the other Loan Documents (provided that the Borrower’s obligation to pay such documented counsel fees, charges and disbursements under this clause (A) shall be capped at \$[] in the aggregate for this Agreement and the other Loan Documents), (B) the administration of this Agreement and the other Loan Documents and any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions

contemplated hereby or thereby shall be consummated) and (C) the enforcement or protection of the rights of the Lenders, the Agents and their Affiliates in connection with this Agreement and the other Loan Documents, including (I) the rights of the Lenders, the Agents and their Affiliates under this Section 10.04 or in connection with the Loans made hereunder and (II) all such reasonable and documented out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of the Loans; provided that solely in the case of any actual or potential conflict of interest as determined by an affected Agent or Lender, such expenses may include the fees, charges and disbursements of one additional counsel (and one special counsel) for each similarly situated group of Agents and/or Lenders; provided, further, that in the event this Agreement is terminated prior to the making of any Loans, such expenses shall be paid by or on behalf of the Borrower prior to or concurrently with such termination.

(b) Indemnification by the Borrower. The Borrower shall indemnify each Lender, each Agent and each of their Related Parties (each such Person being called an “Indemnitee”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related reasonable and documented out-of-pocket expenses (which, in the case of legal expenses, shall be limited to the reasonable and documented fees, charges and disbursements of a single counsel for all Indemnitees and the reasonable and documented fees, charges and disbursements of a single special counsel for all Indemnitees in each relevant specialty (in each case except allocated costs of in-house counsel) for any of the foregoing); provided that solely in the case of any actual or potential conflict of interest as determined by the affected Indemnitee, such expenses may include the fees, charges and disbursements of one additional counsel for the affected Indemnitees as a whole) incurred by any Indemnitee or asserted against any Indemnitee by any Person arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto or thereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) the Loans or the use or proposed use of the proceeds therefrom, or (iii) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, brought by any Person (including the Borrower and its Affiliates), and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available for (A) losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from (I) the gross negligence or willful misconduct of such Indemnitee or (II) a material breach under this Agreement or any other Loan Document by such Indemnitee or disputes between and among Indemnitees (other than disputes against the Administrative Agent or any other Agent in such capacity or which involves an act or omission by the Borrower or its Affiliates) and (B) any settlement entered into by such person without the Borrower’s written consent (such consent not to be unreasonably withheld or delayed) and (iv) any increased costs, compensation or net payments incurred by or owed to any Indemnitee to the extent addressed in Sections 3.03, 3.04 or 3.05, except to the extent set forth therein. This Section 10.04(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims or damages arising from any non-Tax claim.

(c) Reimbursement by Lenders. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under clause (a) or (b) of this Section 10.04 to be paid by it to any Agent (or any sub-agent thereof) or any Related Party of any of the foregoing, each Lender severally agrees to pay to such Agent or such Related Party, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against such Agent (or any sub-agent thereof) in its capacity as such, or against any Related Party of any of the foregoing acting for such Agent (or any such sub-agent) in connection with such capacity. The obligations of Lenders under this clause (c) are subject to the provisions of Section 2.11(g).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable Law, each party hereto shall not assert, and hereby waives, any claim against any other party or an Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the transactions contemplated hereby or thereby, the Loans or the use of the proceeds thereof. No party hereto or Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) Payments. All amounts due under this Section 10.04 shall be payable by the Borrower on demand therefor.

(f) Survival. The agreements in the first sentence of Section 2.10(a), in Article III, in the penultimate sentence of Section 10.02(d), in this Section 10.04 and in Section 10.05 shall survive the repayment of all Obligations under the Loan Documents.

10.05. Payments Set Aside. To the extent that any payment by or on behalf of the Borrower is made to an Agent or the Lenders (or an Agent on behalf of the Lenders), or a Lender or an Agent exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by such Lender or Agent in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred.

10.06. Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender, and a Lender may not assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of subsection (b) of this Section 10.06, (ii) by way of participation in accordance with the provisions of subsection (c) of this Section 10.06 or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (d) of this Section 10.06 (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (c) of this Section 10.06 and, to the extent expressly contemplated hereby, the Indemnitees and Affiliates of the Lenders and the Agents) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by a Lender. A Lender may at any time assign to one or more Eligible Assignees, all or a portion of its rights and obligations under this Agreement (including all or a portion of the Loans at the time owing to it or Commitments hereunder held by it at the time) pursuant to an Assignment and Assumption with the consent of the Administrative Agent (not to be unreasonably withheld or delayed); provided that unless an Event of Default exists and is continuing or such assignment is to Lender or an Affiliate or Approved Fund of a Lender, such assignment shall be subject to the consent of the Borrower, such consent not to be unreasonably withheld or delayed (and which will be deemed given with respect to the Lenders previously identified by the Borrower in writing as acceptable) and each such assignment pursuant to this Section 10.06(b) shall be either (i) in an aggregate amount of not less than \$10,000,000 or (ii) an assignment of all of a Lender's rights and obligations hereunder. From and after the effective date specified in the Assignment and Assumption, and subject to the recordation thereof in the Register pursuant to Section 2.10(a), such Eligible Assignee shall be a party to this Agreement and, to the extent of the interest assigned by such Lender, have the rights and obligations of such Lender under this Agreement; provided that such Eligible Assignee shall not be entitled to receive greater amounts pursuant to Section 3.01 than those to which such Eligible Assignee's assignor would have been entitled, at the time of the assignment, had no such assignment been made, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the assignment was effected. Such Lender shall, to the extent of the interest so assigned, be released from its obligations under this Agreement (and, in the case of an assignment of all of such Lender's rights and obligations under this Agreement, shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 3.01, 3.03, 3.04, 10.04 and 10.05 with respect

to facts and circumstances occurring prior to the effective date of such assignment); provided that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Upon request, the Borrower (at its expense) shall execute and deliver new or replacement Notes to such Lender and the assignee (with a copy to the Administrative Agent), and shall execute and deliver any other documents reasonably necessary or appropriate to give effect to such assignment and to provide for the administration of this Agreement after giving effect thereto. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection (b) shall be treated for purposes of this Agreement as sale by such Lender of a participation in such rights and obligations in accordance with subsection (c) of this Section 10.06. Upon any assignment pursuant to this Section 10.06(b), (I) the applicable Eligible Assignee shall execute and deliver to the Borrower and the Administrative Agent a joinder to each of the Security Agreement and the Collateral Account Control Agreement (unless (x) such Eligible Assignee elects to be an Agented Lender in the Assignment and Assumption entered into by such Eligible Assignee or (y) such Eligible Assignee is an existing Lender and such joinders are not required as a result of the existing Security Agreement and Collateral Account Control Agreement) as set forth in the Security Agreement and the Collateral Account Control Agreement, respectively (which joinders shall be executed by the Administrative Agent and the Calculation Agent), and (II) the Borrower shall deliver to such assignee a Form U-1 or Form G-3 Purpose Statement or, if applicable, an amendment to a Form U-1 or Form G-3 Purpose Statement previously delivered to such assignee in its capacity as a Lender hereunder, duly executed by a Responsible Officer (in each case, unless such assignee has confirmed that it does not require either such form). Any Lender that assigns any or all of its Loans pursuant to this Section 10.06(b) shall (unless and for so long as the applicable Eligible Assignee elects to be an Agented Lender) cooperate in good faith with the Agents to effect transfers of Collateral to Collateral Accounts under the control of such Eligible Assignee, including, for the avoidance of doubt, by submitting written instructions to the Custodian to effect the relevant transfers, and the assigning Lender and such Eligible Assignee hereby consent to such transfers. The Borrower hereby agrees to execute any such documents that may be reasonably requested to effect such transfers.

(c) Participations. A Lender may at any time, with the prior written consent of the Borrower (unless an Event of Default exists and is continuing or such participation is to Lender or an Affiliate or Approved Fund of a Lender), such consent not to be unreasonably withheld or delayed, sell participations to any Eligible Assignee (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 the portion of any 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 Borrower, the other Lenders and the Administrative Agent for the performance of such obligations and (iii) the Borrower and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement pursuant to which a Lender sells a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and the other Loan Documents and to approve any amendment, modification or waiver of any provision of this

Agreement and the other Loan Documents; provided that such agreement may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver that would require the consent of all of the Lenders or such Lender. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.01 and 3.03 (subject to the limitations and requirements of those Sections) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section 10.06; provided that the Participant shall not be entitled to the benefits of Section 3.01 to the extent of any Taxes imposed as a result of such Participant's failure to provide the forms required under Section 3.01(g) if it were a Lender (it being understood that the Participant shall provide such forms to the participating Lender instead of the Borrower). To the extent permitted by Law, each Participant also shall be entitled to the benefits of Section 10.08 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.12 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in the Loans or its other obligations under any Loan Document) except to the extent that such disclosure is necessary to establish that the Loans or such other obligation is in registered form under Section 5f.103-1(c) of the Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(d) Certain Pledges. A Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under a Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank.

(e) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Loans in accordance with its pro rata share (based on such Defaulting Lender's applicable percentage

of the Commitments at the applicable time relating to such Loans) of the Loans. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this subsection (e), then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

(f) Delegation of Duties. Any Lender may perform all of its duties and exercise its rights and powers (including any such duties, rights and powers as an Applicable Lender, if applicable) by or through its Related Parties, and such delegation shall not, by itself, constitute an assignment; provided that no such delegation shall release a Lender from any of its obligations hereunder

10.07. Confidentiality. The Lenders and the Agents agree to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to any other Lender or Agent or their respective Affiliates and to their and their Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority), (c) to the extent required by applicable Laws or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement and the other Loan Documents or (ii) any actual or prospective counterparty (and its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (g) with the consent of the Borrower, (h) to the Custodian in its capacity as such or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section 10.07 or (y) becomes available to a Lender or Agent or any of their Affiliates on a nonconfidential basis from a source other than the Borrower.

For purposes of this Section 10.07, "Information" means all information received from or on behalf of the Borrower or the Parent relating to the Borrower or the Parent, other than any such information that is available to a Lender or Agent on a nonconfidential basis prior to disclosure by the Borrower or the Parent or which is public information. Any Person required to maintain the confidentiality of Information as provided in this Section 10.07 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.

10.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates are hereby authorized at any time and from time to time,

to the fullest extent permitted by applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender or any of its Affiliates to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement or any other Loan Document to such Lender or its Affiliates, irrespective of whether or not such Lender or its Affiliates shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower may be contingent or unmatured or are owed to a branch or office of such Lender or any such Affiliate different from the branch or office holding such deposit or obligated on such indebtedness; provided that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.13(b) and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of a Lender and its Affiliates under this Section 10.08 are in addition to other rights and remedies (including other rights of setoff) that such Lender or its Affiliates may have. Each Lender agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

10.09. Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "Maximum Rate"). If a Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of such Lender's portion of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by a Lender exceeds the Maximum Rate, such Lender may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude Voluntary Prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations.

10.10. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent, and the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto (including,

without limitation, each Person that is a Lender on the Closing Date, the Calculation Agent and the Borrower). Delivery of an executed counterpart of a signature page of this Agreement or any other Loan Document, or any certificate delivered hereunder or thereunder, via telecopy or e-mail (e.g., "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Agreement, such other Loan Document or certificate; provided that, without limiting the foregoing, upon the request of the Administrative Agent, any electronic signature shall be promptly followed by such manually executed counterpart.

10.11. **Survival of Representations and Warranties.** All representations and warranties made hereunder and in any other Loan Document or other document required to be delivered pursuant hereto or thereto or required to be delivered in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Lenders and the Agents, regardless of any investigation made by any Lender or Agent or on its behalf and notwithstanding that any Lender or Agent may have had notice or knowledge of any Default at the time of any Loan, and shall continue in full force and effect as long as any Loan or any other Obligation shall remain unpaid or unsatisfied.

10.12. **Severability.** If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10.13. **Governing Law; Jurisdiction; Etc.**

(a) GOVERNING LAW. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF, RELATING TO, OR INCIDENTAL TO THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ANY CONFLICT OF LAWS PRINCIPLES THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

(b) SUBMISSION TO JURISDICTION. EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE, COUNTY AND CITY OF NEW YORK, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN

RESPECT OF ANY SUCH ACTION OR PROCEEDING SHALL BE HEARD AND DETERMINED IN SUCH STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.

(c) WAIVER OF VENUE. EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN SUBSECTION (b) OF THIS SECTION 10.13. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 10.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

10.14. Waiver of Jury Trial. **EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY).**

10.15. USA PATRIOT Act Notice. Each Lender and 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 “USA PATRIOT Act”), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or Agent to identify the Borrower in accordance with the USA PATRIOT Act. The Borrower agrees to provide such information and take such actions as are reasonably requested by such Lender or Agent in order to assist such Lender or Agent in maintaining compliance with its procedures, the USA PATRIOT Act and any other applicable Laws.

10.16. Bankruptcy Code. The parties hereto agree that, to the fullest extent permitted by applicable Law, this Agreement is a “securities contract” as such term is defined in Section 741(7) of the Bankruptcy Code, qualifying for protection under Section 555 of the Bankruptcy

Code; all deliveries and transfers of cash, securities or other property and all payments and grants of security interests made or required to be made under or in connection with this Agreement and the other Loan Documents or contemplated hereby or thereby are “transfers” made and “margin payments” or “settlement payments” made “by or to (or for the benefit of)” a “financial institution” (each as defined in the Bankruptcy Code) within the meaning of Sections 362(b)(6) and/or (27) and Sections 546(e) and/or 546(j) of the Bankruptcy Code; and all obligations under or in connection with this Agreement and the other Loan Documents represent obligations in respect of “termination values,” “payment amounts” or “other transfer obligations” within the meaning of Sections 362 and 561 of the Bankruptcy Code.

10.17. No Recourse to Affiliates of Borrower. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, THE AGENTS AND THE LENDERS AGREE AND UNDERSTAND THAT ANY AMOUNTS OWED, OR CLAIMS OR LIABILITIES INCURRED BY, THE BORROWER UNDER THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, SHALL BE SATISFIED FROM THE ASSETS OF THE BORROWER, AND NO RECOURSE WHETHER BY SETOFF OR OTHERWISE, SHALL BE HAD TO THE ASSETS OF ANY DIRECTOR, OFFICER, EMPLOYEE, SHAREHOLDER, INVESTMENT MANAGER, MEMBER, INDEPENDENT MANAGER OR LIMITED OR GENERAL PARTNER OF THE BORROWER, OR OF ANY OF THEIR RESPECTIVE AFFILIATES. THE LOANS ARE MADE WITH FULL RECOURSE TO THE BORROWER AND CONSTITUTE DIRECT, GENERAL, UNCONDITIONAL AND UNSUBORDINATED INDEBTEDNESS OF THE BORROWER.

10.18. Conflicts. The parties acknowledge that (a) there is no hedging arrangement relating to any Loan between any Lender or any of its Affiliates on one hand and the Borrower or any of its Affiliates on the other hand, (b) there is no understanding between any Lender or any of its Affiliates on one hand and the Borrower or any of its Affiliates on the other hand regarding any hedging related to any Loan by any Lender or its Affiliates and (c) there is no arrangement or understanding for any Lender or its Affiliates to provide, and each Lender agrees not to provide and will use its reasonable best efforts to cause its Affiliates not to provide, the Borrower with any information regarding how, when or whether such Lender or its Affiliates hedges, or will hedge, any Loan; provided that neither the Borrower nor any Affiliate of the Borrower will request such information from the Lender or any Affiliate of the Lender. The Borrower will not seek to control or influence how, when or whether Lender will make any “purchases or sales” (within the meaning of Rule 10b5-1(c)(1)(i)(B)(3) under the Exchange Act) under any Loan entered into under this Agreement, including any Lender’s decision to enter into any hedging transactions or to conduct foreclosure sales of any shares of Pledged Shares made in accordance with the terms of the Loan Documents. The Borrower acknowledges that: (i) during the term of the Loans, any Lender and its affiliates may buy or sell Shares or other securities or buy or sell options or futures contracts or enter into swaps or other derivative securities in order to establish, adjust or unwind its hedge position with respect to its portion of the Loans; (ii) any Lender and its affiliates may also be active in the market for the Shares other than in connection with any hedging activities in relation to its portion of the Loans; (iii) any Lender shall make its own determination as to whether, when

or in what manner any hedging or market activities in Shares or other securities shall be conducted and shall do so in a manner that it deems appropriate; and (iv) any market activities of any Lender and its affiliates with respect to the Shares may affect the market price and volatility of the Shares, as well as the LTV Ratio, each in a manner that may be adverse to the Borrower.

10.19. Electronic Execution of Assignments and Certain Other Documents. The words “execute,” “execution,” “signed,” “signature,” and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby (including, without limitation, any Assignment and Assumption, amendment or other modification, Borrowing Request, waiver or consent) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that, notwithstanding anything contained herein to the contrary, the Administrative Agent is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it.

10.20. No Advisory or Fiduciary Relationship. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower acknowledges and agrees that: (a)(i) the services regarding this Agreement provided by the Administrative Agent, the Calculation Agent and the Lenders are arm’s-length commercial transactions between the Borrower, on the one hand, and the Administrative Agent, the Calculation Agent and the Lenders, on the other hand, (ii) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (b)(i) each of the Administrative Agent, the Calculation Agent and the Lenders is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower or any of its Affiliates, or any other Person, and (ii) none of the Administrative Agent, the Calculation Agent or any of the Lenders has any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (c) each of the Administrative Agent, the Calculation Agent and the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and none of the Administrative Agent, the Calculation Agent nor any of the Lenders has any obligation to disclose any of such interests to the Borrower or any of its Affiliates. To the fullest extent permitted by law, the Borrower hereby waives and releases any claims that it may have against the Administrative Agent, the Calculation Agent, each of the Lenders or their respective

Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

10.21. Acknowledgment and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any EEA Resolution Authority.

[REMAINING SPACE INTENTIONALLY LEFT BLANK;
SIGNATURES TO FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

BROADBAND HOLDCO, LLC, as the Borrower

By: _____

Name:

Title:

[Signature Page to Broadband Holdco Margin Loan Agreement]

JPMORGAN CHASE BANK, N.A., LONDON BRANCH, as Administrative Agent

By: _____

Name:

Title:

[Signature Page to Broadband Holdco Margin Loan Agreement]

JPMORGAN CHASE BANK, N.A., LONDON BRANCH, as Calculation Agent

By: _____

Name:

Title:

[Signature Page to Broadband Holdco Margin Loan Agreement]

JPMORGAN CHASE BANK, N.A., LONDON BRANCH, as a Lender

By: _____

Name:

Title:

[Signature Page to Broadband Holdco Margin Loan Agreement]

MUFG UNION BANK, N.A., as a Lender

By: _____

Name:

Title:

[Signature Page to Broadband Holdco Margin Loan Agreement]

DEUTSCHE BANK AG, LONDON BRANCH, as a Lender

By: _____

Name:

Title:

By: _____

Name:

Title:

[Signature Page to Broadband Holdco Margin Loan Agreement]

CITIBANK, N.A., as a Lender

By: _____

Name:

Title:

[Signature Page to Broadband Holdco Margin Loan Agreement]

BARCLAYS BANK PLC, as a Lender

By: _____

Name:

Title:

[Signature Page to Broadband Holdco Margin Loan Agreement]

COMMITMENTS

PART A

Initial Loan Commitments as of the Closing Date

Lender	Initial Loan Commitments
JPMorgan Chase Bank, N.A., London Branch	\$[_____]
Barclays Bank PLC	\$[_____]
Citibank, N.A.	\$[_____]
MUFG Union Bank, N.A.	\$[_____]
Deutsche Bank AG, London Branch	\$[_____]
Total	\$1,000,000,000

PART B
Outstanding Loans and Commitments as of the Amendment No. 2 Effective Date

Lender	Initial Loans	Revolving Commitments	Delayed Draw Commitments
JPMorgan Chase Bank, N.A., London Branch	\$[]	\$[]	\$[]
Barclays Bank PLC	\$[]	\$[]	\$[]
Citibank, N.A.	\$[]	\$[]	\$[]
MUFG Union Bank, N.A.	\$[]	\$[]	\$[]
Deutsche Bank AG, London Branch	\$[]	\$[]	\$[]
Total	\$800,000,000	\$200,000,000	\$300,000,000

ADDRESSES FOR NOTICES

BORROWER:

Broadband Holdco, LLC, as the Borrower
12300 Liberty Boulevard
Englewood, Colorado 80112
Attention: Treasurer
Telephone No.: [Separately provided]
Facsimile No.: [Separately provided]
E-mail: [Separately provided]

with copies to:

Broadband Holdco, LLC, as the Borrower
12300 Liberty Boulevard
Englewood, Colorado 80112
Attention: Chief Legal Officer
Telephone No.: [Separately provided]
Facsimile No.: [Separately provided]
E-mail: [Separately provided]

Authorized persons for telephonic notices: [Separately provided]

ADMINISTRATIVE AGENT:

JPMorgan Chase Bank, N.A., London Branch
[Separately provided]
[Separately provided]
[Separately provided]
Attention: [Separately provided]
Telephone No.: [Separately provided]
Facsimile No.: [Separately provided]
E-mail: [Separately provided]

with a copy to:

JPMorgan Chase Bank, N.A., London Branch
[Separately provided]
[Separately provided]
[Separately provided]
Attention: [Separately provided]

Telephone No.: [Separately provided]
Facsimile No.: [Separately provided]
E-mail: [Separately provided]

CALCULATION AGENT:

JPMorgan Chase Bank, N.A., London Branch
[Separately provided]
[Separately provided]
[Separately provided]
Attention: [Separately provided]
Telephone No.: [Separately provided]
Facsimile No.: [Separately provided]
E-mail: [Separately provided]

with a copy to:

JPMorgan Chase Bank, N.A., London Branch
[Separately provided]
[Separately provided]
[Separately provided]
Attention: [Separately provided]
Telephone No.: [Separately provided]
Facsimile No.: [Separately provided]
E-mail: [Separately provided]

LENDERS:

JPMorgan Chase Bank, N.A., London Branch

JPMorgan Chase Bank, N.A., London Branch
[Separately provided]
[Separately provided]
[Separately provided]
Attention: [Separately provided]
Telephone No.: [Separately provided]
Facsimile No.: [Separately provided]
E-mail: [Separately provided]

with a copy to:

JPMorgan Chase Bank, N.A., London Branch
[Separately provided]
[Separately provided]
[Separately provided]

Attention: [Separately provided]
Telephone No.: [Separately provided]
Facsimile No.: [Separately provided]
E-mail: [Separately provided]

MUFG Union Bank, N.A.

MUFG Union Bank, N.A.
[Separately provided]
[Separately provided]
[Separately provided]
Attention: [Separately provided]
Telephone No.: [Separately provided]
Email: [Separately provided]

Deutsche Bank AG, London Branch

Deutsche Bank AG, London Branch
[Separately provided]
[Separately provided]
[Separately provided]
Attention: [Separately provided]
Telephone No.: [Separately provided]
Email: [Separately provided]

with a copies to:

Deutsche Bank AG, London Branch
c/o Deutsche Bank Securities Inc.
[Separately provided]
[Separately provided]
Attention: [Separately provided]
Telephone No.: [Separately provided]
Email: [Separately provided]

Deutsche Bank AG, London Branch
c/o Deutsche Bank Securities Inc.
[Separately provided]
[Separately provided]
Attention: [Separately provided]
Telephone No.: [Separately provided]
Email: [Separately provided]

Citibank, N.A.

Citibank, N.A.

[Separately provided]
[Separately provided]
Attention: [Separately provided]
Telephone No.: [Separately provided]
Email: [Separately provided]

Barclays Bank PLC

Barclays Bank PLC
[Separately provided]
[Separately provided]
Attention: [Separately provided]
Telephone No.: [Separately provided]
Facsimile No.: [Separately provided]
Email: [Separately provided]

with a copy to:

Barclays Bank PLC
[Separately provided]
[Separately provided]
Attention: [Separately provided]
Telephone No.: [Separately provided]
Facsimile No.: [Separately provided]
Email: [Separately provided]

List of Omitted Exhibits

The following schedules and exhibits to the Form of Amendment No. 2 to Margin Loan Agreement and Amendment No. 1 to Collateral Account Control Agreement, dated as of November 25, 2019, among Broadband Holdco, LLC, as Borrower, various lenders, JPMorgan Chase Bank, N.A., London Branch, as Calculation Agent, and JPMorgan Chase Bank, N.A., London Branch, as Administrative Agent, have not been provided herein:

SCHEDULES and EXHIBITS to Form of Amendment No. 2 to Margin Loan Agreement and Amendment No. 1 to Collateral Account Control Agreement

Schedule 1 – Amendment Fees

Exhibit B – Exhibit N to Amended Loan Agreement – Form of Intercompany Note

Exhibit C – Exhibit O to Amended Loan Agreement – Form of Permitted Affiliate Investment

Exhibit D – Schedule A to Amended Control Agreement

Exhibit E – Schedule B to Amended Control Agreement

EXHIBITS to Amended Loan Agreement

Form of

- A Collateral Account Control Agreement
- B Note
- C Compliance Certificate
- D Security Agreement
- E Assignment and Assumption
- F Issuer Acknowledgment
- G Solvency Certificate
- H-1 Borrowing Request
- H-2 Voluntary Prepayment Notice
- I-1 U.S. Tax Compliance Certificate
- I-2 U.S. Tax Compliance Certificate
- I-3 U.S. Tax Compliance Certificate
- I-4 U.S. Tax Compliance Certificate
- J PIK Interest Election Notice
- K Collateral Reallocation Instruction
- L Mandatory Prepayment Notice
- M Collateral Shortfall Notice
- N Form of Intercompany Note
- O Form of Permitted Affiliate Investment

The undersigned registrant hereby undertakes to furnish supplementally a copy of any omitted exhibit or schedule to the Securities and Exchange Commission upon request.

**DESCRIPTION OF THE REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934**

As of the end of the period covered by the most recent Annual Report on Form 10-K of GCI Liberty, Inc. (the "Registrant" or "GCI Liberty"), the Registrant has two classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): (1) Series A Common Stock, par value \$0.01 per share (the "GCI Liberty Series A Common Stock"); and (2) Series A Cumulative Redeemable Preferred Stock, par value \$0.01 per share (the "GCI Liberty Preferred Stock").

Description of Registrant's Capital Stock

The following description of the GCI Liberty Series A Common Stock and GCI Liberty Series A Preferred Stock is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to the Registrant's [Restated Certificate of Incorporation](#) (the "Restated Certificate") and the Registrant's [Amended and Restated Bylaws](#) (the "Bylaws"), which are exhibits to this Annual Report on Form 10-K and are incorporated by reference herein. We encourage you to read the Restated Certificate, Bylaws and the applicable provisions of the Delaware General Corporation Law for additional information.

Authorized Capital Stock

GCI Liberty is authorized to issue 1,610,000,000 shares of capital stock consisting of (i) 500,000,000 shares of GCI Liberty Series A Common Stock, (ii) 20,000,000 shares of GCI Liberty Series B Common Stock, par value \$0.01 per share (the "GCI Liberty Series B Common Stock"), (iii) 1,040,000,000 shares of GCI Liberty Series C Common Stock, par value \$0.01 per share (the "GCI Liberty Series C Common Stock" and, together with the GCI Liberty Series A Common Stock and GCI Liberty Series B Common Stock, the "GCI Liberty Common Stock," and the GCI Liberty Common Stock, together with the GCI Liberty Preferred Stock, the "GCI Liberty Capital Stock"), and (iv) 50,000,000 shares of preferred stock, of which (A) 7,500,000 shares are designated GCI Liberty Preferred Stock and (B) 42,500,000 shares are undesignated as to series.

The Registrant's Common Stock

Voting Rights

Holders of shares of GCI Liberty Series A Common Stock are entitled to one vote for each share of such stock held and holders of shares of GCI Liberty Series B Common Stock are entitled to ten votes for each share of such stock held on all matters submitted to a vote of stockholders. Holders of shares of GCI Liberty Series C Common Stock are not entitled to any voting powers, except as otherwise required by Delaware law. When so required, holders of shares of GCI Liberty Series C Common Stock will be entitled to 1/100th of a vote for each share of such stock held.

Holders of shares of GCI Liberty Preferred Stock are entitled to one-third of a vote per share for each share of such stock held, subject to adjustment in accordance with the Restated Certificate.

Except as otherwise required by Delaware law, the Restated Certificate or the terms of any series of preferred stock, the holders of shares of GCI Liberty Series A Common Stock, GCI Liberty Series B Common Stock, and each series of preferred stock that is designated as a voting security (which includes the GCI Liberty Preferred Stock) will vote as one class with respect to the election of directors and with respect to all other matters to be voted on by the stockholders, and no separate class or series vote or consent of the holders of shares of any class or series of capital stock will be required for the approval of any such matter.

Conversion Rights

Each share of GCI Liberty Series B Common Stock is convertible, at the option of the holder, into one share of GCI Liberty Series A Common Stock. GCI Liberty Series A Common Stock, GCI Liberty Series C Common Stock and GCI Liberty Preferred Stock are not convertible at the option of the holder.

Dividends and Share Distributions

Whenever a dividend, other than a dividend that constitutes a Share Distribution (as defined below), is paid to the holders of shares of GCI Liberty Series A Common Stock, GCI Liberty Series B Common Stock or GCI Liberty Series C Common Stock then outstanding, GCI Liberty is required to also pay to the holders of shares of each other series of common stock of GCI Liberty then outstanding an equal dividend per share.

If at any time a Share Distribution is to be made with respect to GCI Liberty Series A Common Stock, GCI Liberty Series B Common Stock, or GCI Liberty Series C Common Stock, such Share Distribution may be declared and paid only as follows:

- a Share Distribution (i) consisting of shares of GCI Liberty Series C Common Stock (or Series C convertible securities) may be declared and paid to holders of shares of GCI Liberty Series A Common Stock, GCI Liberty Series B Common Stock, and GCI Liberty Series C Common Stock, on an equal per share basis, or (ii) consisting of (A) shares of GCI Liberty Series A Common Stock (or Series A convertible securities) may be declared and paid to holders of shares of GCI Liberty Series A Common Stock, on an equal per share basis, (B) shares of GCI Liberty Series B Common Stock (or Series B convertible securities) may be declared and paid to holders of shares of GCI Liberty Series B Common Stock, on an equal per share basis, and (C) shares of GCI Liberty Series C Common Stock (or Series C convertible securities) may be declared and paid to holders of shares of GCI Liberty Series C Common Stock, on an equal per share basis; or
- a Share Distribution consisting of any class or series of securities of GCI Liberty or any other person, other than GCI Liberty Series A Common Stock, GCI Liberty Series B Common Stock or GCI Liberty Series C Common Stock (or applicable convertible securities), may be declared and paid on the basis of a distribution of (i) identical securities, on an equal per share basis, to holders of shares of GCI Liberty Series A Common Stock, GCI Liberty Series B Common Stock, and GCI Liberty Series C Common Stock, (ii) separate classes or series of securities, on an equal per share basis, to the holders of shares of each such series of GCI Liberty Common Stock or (iii) a separate class or series of securities to the holders of shares of one or more classes of GCI Liberty Common Stock and, on an equal per share basis, a different class or series of securities to the holders of shares of all other classes of GCI Liberty Common Stock, subject to certain limitations retaining the relative voting power of the GCI Liberty Series B Common Stock as set forth in the Restated Certificate.

For purposes of the Restated Certificate, a "Share Distribution" means a dividend or distribution (including a distribution made in connection with any stock-split, reclassification, recapitalization, dissolution, winding up or full or partial liquidation of GCI Liberty) payable in shares of any class or series of capital stock, convertible securities or other securities of GCI Liberty or any other person.

All decisions regarding the payment of dividends and share distributions on the shares of GCI Liberty Common Stock by GCI Liberty will be made by the board of directors of GCI Liberty (the "Board"), from time to time, in accordance with applicable law after taking into account various factors, including financial condition, operating results, current and anticipated cash needs, plans for expansion and possible loan covenants which may restrict or prohibit payment of dividends.

Reclassification

GCI Liberty may not reclassify, subdivide, or combine the GCI Liberty Series A Common Stock, GCI Liberty Series B Common Stock or GCI Liberty Series C Common Stock then outstanding without reclassifying, subdividing or combining each other such series of GCI Liberty Common Stock then outstanding, on an equal per share basis.

Liquidation and Dissolution

In the event of a liquidation, dissolution or winding up of GCI Liberty, whether voluntary or involuntary, after payment or provision for payment of the debts and liabilities of GCI Liberty and subject to the payment in full of the preferential or other amounts to which any series of preferred stock are entitled, the holders of shares of GCI Liberty Series A Common Stock, GCI Liberty Series B Common Stock, and GCI Liberty Series C Common Stock will share equally, on a share for share basis, in the assets of GCI Liberty remaining for distribution to the holders of shares of GCI Liberty Series A Common Stock, GCI Liberty Series B Common Stock, and GCI Liberty Series C Common Stock.

Preemptive Rights

The holders of shares of GCI Liberty Series A Common Stock, GCI Liberty Series B Common Stock, and GCI Liberty Series C Common Stock will not have any preemptive rights to subscribe for or purchase any capital stock or other securities which may be issued by GCI Liberty.

Blank Check Preferred Stock

The Board is authorized to establish one or more series of preferred stock and to determine, with respect to any series of preferred stock, the terms and rights of the series, including:

- the designation of the series;
- the number of authorized shares of the series, which number the Board may subsequently increase or decrease, but not below the number of such shares of such series then outstanding;
- the dividend rate or amounts, if any, payable on the shares and, in the case of cumulative dividends, the date or dates from which dividends on all shares of the series will be cumulative, and the relative preferences or rights of priority or participation with respect to such dividends;
- the rights of the series in the event of voluntary or involuntary liquidation, dissolution or winding up and the relative preferences or rights of priority of payment;
- the rights, if any, of holders of the series to convert into or exchange for other classes or series of stock or indebtedness and the terms and conditions of any such conversion or exchange, including provision for adjustments within the discretion of the Board;
- the voting rights, if any, of the holders of the series, including whether such series will be a voting security and, if so designated, the terms and conditions on which the holders of such series may vote together with the holders of any other class or series of capital stock;
- the terms and conditions, if any, for GCI Liberty to purchase or redeem the shares of the series; and
- any other relative rights, powers, preferences and limitations of the series.

GCI Liberty Preferred Stock

Voting Rights

The shares of GCI Liberty Preferred Stock are designated as a voting security for purposes of the Restated Certificate.

Each record holder of shares of GCI Liberty Preferred Stock is entitled to one-third a vote per share held by such holder, subject to adjustment (to the nearest tenth of a vote per share) in accordance with the Restated Certificate in the event of any stock split, stock dividend or other distribution, reclassification, recapitalization or similar event affecting the GCI Liberty Common Stock and the aggregate number of votes that may be cast by the holders of shares of the GCI Liberty Series A Common Stock and GCI Liberty Series B Common Stock, voting together as a separate class or series, such that the voting power of the GCI Liberty Preferred Stock immediately following the adjustment event is substantially equivalent to the voting power of the GCI Liberty Preferred Stock immediately prior to the adjustment event.

The holders of shares of GCI Liberty Preferred Stock are entitled to vote together as a class generally with the holders of shares of the GCI Liberty Series A Common Stock and GCI Liberty Series B Common Stock on all matters submitted to a vote of the holders of the GCI Liberty Series A Common Stock and GCI Liberty Series B Common Stock (together with the holders of shares of any class or series of Senior Stock, Parity Stock or Junior Stock (as each such term is defined in the Restated Certificate) then entitled to vote together as a class with the holders of shares of the GCI Liberty Series A Common Stock and GCI Liberty Series B Common Stock), except as required by the Restated Certificate or by applicable law.

Dividends

The holders of shares of GCI Liberty Preferred Stock are entitled to receive, when and as declared by the Board, out of legally available funds, preferential dividends that accrue and cumulate as provided in the Restated Certificate.

Dividends on each share of GCI Liberty Preferred Stock accrue on a daily basis at a rate of 7.00% per annum of the liquidation price.

Accrued dividends are payable quarterly on each dividend payment date, which is January 15, April 15, July 15, and October 15 of each year, and commenced on the first such date following the issuance of the GCI Liberty Preferred Stock in the automatic conversion of the common stock of GCI Liberty's predecessor, which was effected on March 8, 2018 (the "Mandatory Conversion Time").

If GCI Liberty fails to pay cash dividends on the GCI Liberty Preferred Stock in full for any four consecutive or non-consecutive dividend periods then the dividend rate shall increase by 2.00% per annum of the liquidation price until cured.

If at any time or from time to time the GCI Liberty Preferred Stock fails to be publicly traded for 90 consecutive days or longer, then the dividend rate shall increase by 2.00% per annum of the liquidation price until cured.

To the extent the dividend amount due to the holders of GCI Liberty Preferred Stock is not paid in full on a dividend payment date for any reason, all dividends (whether or not declared) that have accrued on a share of GCI Liberty Preferred Stock during the dividend period ending on such dividend payment date and which are unpaid will be added to the liquidation price of such share and remain until paid.

Subject to certain exceptions, so long as any shares of GCI Liberty Preferred Stock shall be outstanding, GCI Liberty may not declare or pay any dividend or make any distribution whatsoever with respect to, or purchase, redeem, or otherwise acquire, any Junior Stock or any Parity Stock, unless and until (i) all dividends to which the holders of shares of GCI Liberty Preferred Stock are entitled for all current and all previous dividend periods have been paid (or appropriately set aside), and (ii) GCI Liberty shall have paid in full (or appropriately set aside) all redemption payments with respect to the GCI Liberty Preferred Stock that GCI Liberty is then obligated to pay.

Distributions Upon Liquidation, Dissolution or Winding Up

Subject to the prior payment in full of the preferential amounts to which any Senior Stock is entitled, in the event of any liquidation, dissolution or winding up of GCI Liberty, whether voluntary or involuntary, the holders of shares of the GCI Liberty Preferred Stock are entitled to receive, before any payment or distribution shall be made to the holders of shares of any Junior Stock, an amount in property or cash, as determined by the Board in good faith, or a combination thereof, per share, equal to the liquidation price plus all unpaid dividends (whether or not declared) accrued through the date of distribution of amounts payable to holders of shares of GCI Liberty Preferred Stock in connection with such liquidation, dissolution or winding up of GCI Liberty since the immediately preceding dividend payment date, which payment shall be made *pari passu* with any such payment made to the holders of shares of any Parity Stock.

The liquidation price of each share of GCI Liberty Preferred Stock is the sum of (i) \$25, plus (ii) an amount equal to all unpaid dividends (whether or not declared) accrued with respect to such share which pursuant to the terms of the Restated Certificate has been added to and then remain part of the liquidation price as of such date.

The shares of GCI Liberty Preferred Stock are not participating.

Mandatory Redemption

GCI Liberty is required to redeem all outstanding shares of GCI Liberty Preferred Stock out of funds legally available, at the liquidation price plus all unpaid dividends (whether or not declared) accrued from the most recent dividend payment date through the redemption date, on the first business day following the twenty-first anniversary of the Mandatory Conversion Time.

The Restated Certificate provides certain mechanisms for partial redemption and places certain restrictions on GCI Liberty in the event GCI Liberty does not have funds legally available to satisfy its redemption obligations.

The Restated Certificate does not provide for optional redemption of shares of GCI Liberty Preferred Stock prior to the redemption date.

Protective Provisions

In addition to any vote required by the Restated Certificate or applicable law, for so long as any of the shares of GCI Liberty Preferred Stock remain outstanding, GCI Liberty may not take the following actions without the written consent or affirmative vote of the holders of at least a majority of the then outstanding shares of GCI Liberty Preferred Stock, consenting or voting separately as a series:

- amend, alter or repeal the terms of the GCI Liberty Preferred Stock, whether by merger, share exchange, consolidation or otherwise, in a manner that adversely affects the powers, preferences or rights of the GCI Liberty Preferred Stock, unless each share of GCI Liberty Preferred Stock (i) will remain outstanding without material and adverse change to the powers or rights of the GCI Liberty Preferred Stock or (ii) will be converted or exchanged for preferred stock of the surviving entity having powers, preferences and rights substantially identical to that of a share of GCI Liberty Preferred Stock (with limited exceptions); or
- authorize, create or issue, or increase the authorized or issued amount of, any class of Senior Stock or reclassify any of the authorized capital stock of GCI Liberty into such shares of Senior Stock, or create, authorize or issue any obligation or security convertible into or evidencing the right to purchase any shares of Senior Stock.

In any merger or consolidation that provides for the payment of only cash to the holders of shares of GCI Liberty Preferred Stock, each holder of shares of GCI Liberty Preferred Stock is entitled to receive an amount equal to the liquidation price of the shares of GCI Liberty Preferred Stock held by such holder, plus an amount equal to the accrued and unpaid dividends (whether or not declared) on such shares since the immediately preceding dividend payment date.

Preemptive Rights

The holders of shares of GCI Liberty Preferred Stock do not have any preemptive right to subscribe for or purchase any capital stock or other securities which may be issued by GCI Liberty.

Waiver

Any provision of the Restated Certificate and any right of the holders of shares of GCI Liberty Preferred Stock may be waived as to all shares of GCI Liberty Preferred Stock (and the holders thereof) upon the written consent of the Board (or any authorized committee thereof) and the holders of a majority of the shares of GCI Liberty Preferred Stock then outstanding.

Stockholder Action by Written Consent

The Restated Certificate prohibits stockholder action by written consent, except that the holders of shares of any series of preferred stock may take action by written consent to the extent provided by its terms.

Board of Directors

The Board is classified and divided into three classes, with each class consisting, as nearly as possible, of a number of directors equal to one-third of the number of members of the Board. As of December 31, 2019, the terms of the Class I, II

and III directors who were then in office will expire at the annual meeting of stockholders to be held in 2022, 2020 and 2021, respectively.

At each annual meeting of stockholders, the successors of that class of directors whose term expires at that meeting will be elected to hold office for a term expiring at the annual meeting of stockholders to be held in the third year following the year of their election. The directors of each class will hold office until their respective successors are elected and qualified or until such director's earlier death, resignation or removal.

Subject to the rights of any preferred stock, directors may be removed from office only for cause upon the affirmative vote of the holders of at least a majority of the total voting power of the then outstanding shares of GCI Liberty Capital Stock entitled to vote thereon, voting together as a single class.

Limitation on Liability and Indemnification

To the fullest extent permitted by Delaware law, the directors are not liable to GCI Liberty or any of its stockholders for monetary damages for breaches of fiduciary duties as a director. In addition, GCI Liberty indemnifies, to the fullest extent permitted by applicable law, any person involved in any suit or action by reason of the fact that such person is a director or officer of GCI Liberty or, at GCI Liberty's request, a director, officer, employee or agent of another corporation or entity, against all liability, loss and expenses incurred by such person. GCI Liberty will pay expenses of a director or officer in defending any proceeding in advance of its final disposition, provided that such payment is made upon receipt of an undertaking by the director or officer to repay all amounts advanced if it should be ultimately determined that the director or officer is not entitled to indemnification.

Special Meetings of Stockholders

Subject to the rights of any preferred stock and except as otherwise provided by law, special meetings of stockholders will only be called by the Secretary (i) upon the written request of the holders of not less than 66 2/3% of the total voting power of the then outstanding voting securities entitled to vote thereon, or (ii) at the request of at least 75% of the member of the Board then in office.

Advance Notice Provisions

The Bylaws establish an advance notice procedure for stockholders to make nominations of candidates for election as directors or to bring other business before a meeting of stockholders.

All nominations by stockholders or other business to be properly brought before a meeting of stockholders will be made pursuant to timely notice in proper written form to the Secretary. To be timely, a stockholder's notice will be given to the Secretary at GCI Liberty's principal executive offices as follows:

- with respect to an annual meeting of stockholders to be held on a day which is not more than 30 days in advance of the anniversary of the previous year's annual meeting of stockholders or not later than 30 days after the anniversary of the previous year's annual meeting of stockholders, such notice must be given not later than the close of business on the 60th day, nor earlier than the close of business on the 90th day, in advance of the anniversary of the previous year's annual meeting of stockholders;
- with respect to any other annual meeting of stockholders, such notice must be given not later than the close of business on the tenth day following the date of public disclosure of the date of such meeting; and
- with respect to a special meeting of stockholders for the purpose of electing one or more directors, such notice must be given not earlier than the close of business on the 90th day prior to such special meeting and not after the later of the close of business on the 60th day prior to such special meeting or the tenth day following the date of public disclosure of the date of the special meeting and of the nominees proposed by the Board to be elected at such meeting.

The public announcement of an adjournment or postponement of a meeting of stockholders does not commence a new time period (or extend any time period) for the giving of any such stockholder notice.

Amendments to the Restated Certificate

With limited exception, the Restated Certificate requires the affirmative vote of the holders of at least 66 2/3% of the total voting power of the then outstanding shares of GCI Liberty Capital Stock entitled to vote, voting together as a single class, in order for GCI Liberty to amend, alter, or repeal any provision of the Restated Certificate (in addition to the statutorily required stockholder approval), unless at least 75% of the members of the Board then in office have approved such action.

With certain limited exceptions, the holders of GCI Liberty Preferred Stock are entitled to consent rights over certain amendments to the Restated Certificate that would have an adverse effect on the powers, preferences or rights of the GCI Liberty Preferred Stock.

Bylaw Amendments

The Board is authorized and empowered to adopt, alter, amend or repeal any provision of the Bylaws by the affirmative vote of not less than 75% of the members of the Board then in office.

Supermajority Voting Provisions

In addition to the supermajority voting provisions discussed under “Amendments to the Restated Certificate” above, the Restated Certificate provides that, with limited exception, in addition to any other required approval under Delaware law or the Restated Certificate, approval of the holders of at least 66 2/3% of the total voting power of the then outstanding shares of GCI Liberty Capital Stock entitled to vote is required in order for GCI Liberty to take any action to authorize:

- the adoption, amendment, or repeal of any provision of the Bylaws by the stockholders (other than the adoption, amendment or repeal of any provision of the Bylaws by the Board in accordance with the power conferred upon it as described under “Bylaw Amendments” above);
- the merger or consolidation of GCI Liberty with or into any other corporation (including a merger consummated pursuant to Section 251(h) of the General Corporation Law of the State of Delaware (the “DGCL”) and notwithstanding the exception to a vote of the stockholders for such a merger set forth therein); provided, that the foregoing voting provision will not apply to any such merger or consolidation (1) as to which the laws of the State of Delaware, as then in effect, do not require the vote of GCI Liberty’s stockholders (other than Section 251(h) of the DGCL), or (2) that at least 75% of the members of the Board then in office have approved;
- the sale, lease or exchange of all, or substantially all, of the property or assets of GCI Liberty, provided, that the foregoing voting provisions will not apply to any such sale, lease or exchange that at least 75% of the members of the Board then in office have approved; or
- the dissolution of GCI Liberty, provided, that the foregoing voting provision will not apply to any such dissolution if at least 75% of the members of the Board then in office have approved such dissolution.

Corporate Opportunity

The Restated Certificate acknowledges that the Registrant may have overlapping directors and officers with other entities that compete with its businesses and that the Registrant may engage in material business transactions with such entities. The Registrant has renounced its rights to certain business opportunities and the Restated Certificate provides that no director or officer of the Registrant will breach their fiduciary duty and therefore be liable to the Registrant or its stockholders by reason of the fact that any such individual directs a corporate opportunity to another person or entity (including Quarte Retail, Inc., Liberty Media Corporation, Liberty Broadband Corporation, or Liberty TripAdvisor Holdings, Inc.) instead of the Registrant, or does not refer or communicate information regarding such corporate opportunity to the Registrant, unless (x) such opportunity was expressly offered to such person solely in his or her capacity as a director or officer of the Registrant or as a director or officer of any of the Registrant’s subsidiaries and (y) such opportunity relates to a line of business in which the Registrant or any of its subsidiaries is then directly engaged.

Section 203 of the General Corporation Law of the State of Delaware

Section 203 of the DGCL prohibits certain transactions between a Delaware corporation and an “interested stockholder.” An “interested stockholder” for this purpose generally is a stockholder who is directly or indirectly a beneficial owner of 15% or more of the outstanding voting power of a Delaware corporation. This provision prohibits certain business combinations between an interested stockholder (including certain related persons) and the corporation for a period of three years after the date on which the stockholder became an interested stockholder, unless: (1) prior to the time that the stockholder became an interested stockholder, either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder is approved by the corporation’s board of directors, (2) the interested stockholder acquired at least 85% of the then outstanding voting power of the corporation in the transaction in which the stockholder became an interested stockholder (excluding shares held by certain holders for purposes of determining the voting stock outstanding), or (3) the business combination is approved by a majority of the board of directors and the affirmative vote (but not written consent) of the holders of at least 66 2/3% of the outstanding voting power of the shares not owned by the interested stockholder, at or subsequent to the time that the stockholder became an interested stockholder. GCI Liberty is subject to Section 203 of the DGCL.

Cumulative Voting

The Restated Certificate does not permit for cumulative voting for the GCI Liberty Common Stock. The Restated Certificate authorizes the Board to issue preferred stock with such voting rights as the Board may specify.

FORM OF FIRST AMENDMENT TO SERVICES AGREEMENT

This First Amendment to Services Agreement (this "Amendment"), effective as of December 13, 2019, is between Liberty Media Corporation, a Delaware corporation (the "Provider"), and [____], a Delaware corporation ("[____]" or "[____]").

RECITALS

WHEREAS, the Provider and [____] previously entered into that certain Services Agreement, dated as of [____] (the "Original Agreement"); and

WHEREAS, in connection with the execution and delivery by the Provider and Gregory B. Maffei ("Executive") of that certain Executive Employment Agreement dated as of the date hereof (the "Executive Employment Agreement"), the Provider and [____] desire to amend the Original Agreement on the terms and conditions set forth herein.

AGREEMENT

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

1. Defined Terms. All initially capitalized terms used but not defined herein shall have the respective meanings assigned to such terms in the Original Agreement.

(a) The term "[____]" as used in the Original Agreement and this Amendment (and the term "[____]" as used in this Amendment) shall each refer to [____], a Delaware corporation.

(b) References to "the Agreement" shall be deemed to be references to the Original Agreement, as amended by this Amendment and as it may be further amended from time to time in accordance with the terms thereof and hereof.

2. Amendment to Section 2.2. Section 2.2 of the Original Agreement is amended to read in its entirety as follows:

"Section 2.2 Cost Reimbursement. In addition to (and without duplication of) the [Allocated Expenses] [Services Fee] payable pursuant to Section 2.1 and Executive Allocated Expenses pursuant to Section 2.5, [____] also will reimburse the Provider for all direct out-of-pocket costs, with no markup ("Out-of-Pocket Costs"), incurred by the Provider in performing the Services (e.g., postage and courier charges, [software license fees attributable to desktop or laptop computers utilized by Employees,] travel, meals and entertainment expenses, and other miscellaneous expenses that are incurred by the Provider or the [Employees] [Personnel] in the conduct of the Services)."

3. Amendment to [Section 2.4] [Article II]. [Section 2.4] [Article II] of the Original Agreement is amended to [read in its entirety] [insert new Section 2.4 and Section 2.5] as follows:

“[Section 2.4. Survival.] The terms and conditions of this Article II will survive the expiration or earlier termination of this Agreement with respect to such amounts as are payable in respect of the period of time prior to the effective date of such expiration or termination.”

4. **[Amendment to Article II.** Article II of the Original Agreement is amended to insert new Section 2.5 as follows:]

“Section 2.5. Executive Compensation Expenses. Notwithstanding anything in this Agreement to the contrary, this Section 2.5 shall apply with respect to the Executive Allocated Expenses and Direct Compensation (each as defined below).

(a) Executive Allocated Expenses. [] shall be allocated a portion of the Executive Allocated Expenses equal to its Executive Percentage (as defined below). The “Executive Allocated Expenses” mean Executive’s aggregate salary, commitment bonus (as described in Section 4.2 of the Executive Employment Agreement), health, retirement and other compensation, benefits, perquisites, any legal fees and other expense reimbursements owed to Executive pursuant to Section 9.6 of the Executive Employment Agreement, any Special Reimbursement payments owed to Executive by the Provider (as defined and described in Section 9.7 of the Executive Employment Agreement) and other expenses paid by Provider in connection with the employment of Executive and all Severance Payments (as defined below) paid by Provider; *provided, however*, that the Executive Allocated Expenses will not include (1) any annual cash bonus amounts with respect to services performed for the benefit of the Provider (excluding, for the avoidance of doubt, the commitment bonus described in Section 4.2 of the Executive Employment Agreement) and any equity-based compensation, in each case, paid to such [Employee] [Personnel] by the Provider, (2) all Direct Compensation and any Prorated Executive Bonus Payment (as defined below), and (3) Out-of-Pocket Costs. The Executive Allocated Expenses will be more fully set forth in, and determined from time to time in the manner set forth in, Schedule 2.5 attached hereto, as such Schedule may be periodically amended and revised by the parties as set forth in this Section 2.5.

(b) Payment of Direct Compensation. In accordance with the Executive Employment Agreement, [] agrees to (i) pay Executive []’s allocation of the annual cash bonus amounts with respect to services performed for the benefit of [] in accordance with Section 4.3 of the Executive Employment Agreement with such allocation being equal to the Executive Percentage, (ii) grant Executive options to purchase shares of Series [] Common Stock of [] (“[] Common Stock”) in accordance with Section 4.10 of the Executive Employment Agreement (the “Service Company Term Awards”) and (iii) grant Executive an annual award with respect to [] Common Stock in accordance with Section 4.11 of the Executive Employment Agreement (the “Annual Executive Incentive Awards”) and, together with the Service Company Term Awards, the “Equity Awards”). The compensation described in the preceding sentence is referred to herein as the “Direct Compensation.” [] will be solely responsible for all liabilities associated with the Direct Compensation, including with respect to satisfaction of the obligations with respect to Annual Executive Incentive Awards on any termination of Executive’s services with the Provider or []. The Direct Compensation will be more fully set forth in, and determined from time to time in the manner set forth in, Schedule 2.5 attached hereto, as such Schedule may be periodically amended and revised by the parties as set forth in this Section 2.5.

(c) Payment of Executive Severance.

(i) The Executive Allocated Expenses shall include all cash severance payments and benefit continuation obligations owed to Executive by the Provider pursuant to Section 5 of the Executive Employment Agreement (“Severance Payments”). Furthermore, [] may, in lieu of reimbursing Provider the Executive Percentage of any Severance Payments and in accordance with Section 5 of the Executive Employment Agreement, directly deliver shares of [] Common Stock to Executive in satisfaction of a portion of its Executive Percentage of the Severance Payments (a “Share-Based Severance Payment”), *provided, that*, in the event [] is unable or otherwise fails to deliver any Share-Based Severance Payment in [] Common Stock, [] shall deliver cash to Provider in an amount equal to the value of Share-Based Severance Payment otherwise required to be delivered to Executive by [].

(ii) Following an Executive Service Termination (as defined below) under circumstances qualifying Executive for payment of a prorated annual bonus pursuant to Section 5.7 of the Executive Employment Agreement (the “Prorated Executive Bonus Payment”), [] shall pay Executive the Prorated Executive Bonus Payment at the time such payment is due under the Executive Employment Agreement; *provided, that*, in the event [] fails to pay the Prorated Executive Bonus Payment, it shall reimburse the Provider amounts paid by Provider in respect thereof.

(iii) The amounts set forth in this Section 2.5(c) shall be paid by [] in addition to any Executive Termination Payment payable to Provider under Section 3.4 of this Agreement.

(iv) In the event of any termination of employment or Services of Executive, this Section 2.5 shall apply to any severance or other payments to be made by or allocated to [] [in lieu of, and notwithstanding, Section 4.3 of this Agreement].

(d) Executive Percentage. The “Executive Percentage” for the period commencing January 1, 2020 through December 31, 2020 is set forth in Schedule 2.5 and thereafter the Executive Percentage and the Executive Allocated Expenses will be determined annually by the Provider, in consultation with [] and the Executive, prior to each December 15th of the Term, pursuant to paragraph (e) below.

(e) Determination of Amounts and Allocations. Unless otherwise agreed between the Provider and [], in consultation with Executive, the Executive Percentage will be determined consistent with the methodology described on Schedule 2.5. In addition, following any Significant Corporate Transaction, the Provider and [], in consultation with Executive, will negotiate in good faith any appropriate adjustments to the Executive Percentage, Executive Allocated Expenses and Direct Compensation. In no event will any such adjustments apply retroactively (without the prior written consent of Provider and [] in consultation with the Executive and, with respect to any retroactive adjustments to Direct Compensation previously paid or awarded to Executive, without the prior written consent of Executive).

(i) The parties acknowledge and agree that the methodology described on Schedule 2.5 reflects a good faith estimate of the amount of time that the Provider estimates Executive will spend providing Services to [] during the upcoming fiscal year and that the parties in making any good faith adjustments to the Executive Percentage may take into

account such other factors as they deem relevant, including (for the avoidance of doubt) those described in clause (ii) below.

(ii) In the event of (1) a termination by Executive or any other company to whom Executive is providing service at the direction of Provider (each, an “Other Service Company”) of Executive’s services to such Other Service Company, (2) a Change in Control (as such term is defined in the Executive Employment Agreement) of any Other Service Company, (3) a Fundamental Corporate Event (as defined in the Executive Employment Agreement) with respect to the Provider or any Other Service Company, or (4) any other material change in circumstances with respect to the Provider or any Other Service Company following the last agreed adjustment to the Executive Percentage, Executive Allocated Expenses or Direct Compensation that, in each case, results in a change in the allocable percentage of time spent by Executive providing Services to [____], in the Executive Allocated Expenses or in the Direct Compensation (any such event in clause (1) through (4) inclusive, a “Significant Corporate Transaction”), the Provider and [____] shall promptly, and in good faith, renegotiate the Executive Percentage, Executive Allocated Expenses and Direct Compensation, in consultation with Executive, based on, among other things deemed relevant by the parties, the anticipated Services to be provided by Executive to [____] during any upcoming fiscal period and the amount of time that the Provider estimates Executive will spend providing Services to [____] during such time.

(iii) In the event of a dispute between the Provider and [____] as to the determination of the amount of the Executive Percentage, Executive Allocated Expenses or Direct Compensation, each of the Provider and [____] agrees to attempt, in good faith and in consultation with the Executive, to resolve the dispute as set forth in Section 7.16 of this Agreement.

(iv) It is intended that the payments by [____] to the Provider under this Agreement in respect of Executive Allocated Expenses and any Termination Payment, when combined with the payment of the Direct Compensation and any Prorated Executive Bonus Payment by [____] directly to Executive, are comparable to those which [____] would pay to a third party on an arm’s length basis for the same services.

(f) Provider as Payor. Notwithstanding Section 4.2 of this Agreement, the parties acknowledge and agree that the Provider, and not [____], will be solely responsible for the payment of salaries, wages, benefits (including health insurance, retirement, and other similar benefits, if any), perquisites and other compensation applicable to Executive; *provided, however*, that [____] is responsible for the reimbursement to Provider of the Executive Percentage of the Executive Allocated Expenses and payment of the Direct Compensation and any Prorated Executive Bonus Payment directly to Executive each as provided in this Section 2.5. The parties acknowledge that Executive will provide services directly to [____] in consideration for the receipt of the Direct Compensation and any Prorated Executive Bonus Payment. [Except as otherwise required by the terms of the Tax Sharing Agreement,] the Provider will be responsible for the payment of all federal, state, and local withholding taxes on the compensation of Executive (other than Direct Compensation and any Prorated Executive Bonus Payment) and other such employment related taxes as are required by law, and [____] will be responsible for the payment of all federal, state, and local withholding taxes on the Direct Compensation and any Prorated Executive Bonus Payment

paid to Executive by [] and other such employment related taxes as are required by law. Each of [] and the Provider will cooperate with the other to facilitate the other's compliance with applicable federal, state, and local laws, rules, regulations, and ordinances applicable to the employment of Executive by either party.

(g) Monthly Payment. [] will pay the Provider, by wire or intrabank transfer of funds or in such other manner specified by the Provider to [], in arrears on or before the last day of each calendar month beginning with January 2020, its allocated portion of the Executive Allocated Expenses then in effect, in monthly installments.

(h) No Duplication. For the avoidance of doubt, no Executive Allocated Expenses, Direct Compensation, Prorated Executive Bonus Payments or Executive Termination Payment (as defined below) will be included in the [Allocated Expenses or in the severance payments under Section 4.2 allocated to [] pursuant to this Agreement][Services Fee].”

5. Amendment to Section 3.3. Section 3.3 of the Original Agreement is amended to insert the following as the last paragraph:

“An Executive Termination Payment may be due in connection with the termination of this Agreement pursuant to this Section 3.3 as described in and subject to the limitations of Section 3.4(c).”

6. Amendment to Article III. Article III of the Original Agreement is amended to insert new Section 3.4 as follows:

“Section 3.4. Termination of Executive Services. This Section 3.4 shall apply with respect to the termination of any Services provided by Executive in lieu of and notwithstanding Section 3.2 of this Agreement:

(a) Termination of Executive Services by []. At any time during the Term, [] may elect to discontinue obtaining any of the Services from Executive (including removing Executive from his position as [Executive Chairman] [President and CEO] at []) by providing written notice to the Provider and the Executive (an “Executive Service Termination”). Such Executive Service Termination shall be effective (i) in the case of termination for Cause (as defined in the Executive Employment Agreement with reference to []), on the date written notice is provided by [] to the Provider and the Executive and (ii) in the case of termination for any reason other than termination for Cause on the later of (x) the 30th day following the delivery of such notices (or such later date as may be specified in the notices) and (y) the payment by [] to the Provider of the Executive Termination Payment.

(b) Termination of Executive Services by Provider. At any time during the Term, the Provider may elect to discontinue providing [] any of the Services by Executive by providing written notice to [] and the Executive, including, in connection with a termination by Executive of his employment with the Provider or of any services provided to [] under his Executive Employment Agreement. Such termination shall be effective on the date specified in the notices.

(c) Termination Requiring Payment of Executive Termination Payment.

(i) An Executive Service Termination for any reason other than termination for Cause (as defined in the Executive Employment Agreement with reference to [____]) will result in an obligation by [____] to pay the Provider the Executive Termination Payment no later than the effective date of such Executive Service Termination.

(ii) A termination (x) by the Provider of the Services provided to [____] by Executive following or in connection with a Change in Control (as defined in the Executive Employment Agreement with reference to [____]) of [____] or (y) by Executive of his Services provided to [____] under the Executive Employment Agreement, in each case, shall also require the payment by [____] to the Provider of the Executive Termination Payment no later than the effective date of such termination. The effective date of a termination described in clause (y) of this Section 3.4(c)(ii) shall be determined in accordance with the Executive Employment Agreement.

(iii) In event of the termination of this Agreement on or before the expiration of the Employment Period (as defined in the Executive Employment Agreement) pursuant to Section 3.3, [____] will pay the Executive Termination Payment to the Provider no later than the effective date of such termination; *provided, however*, that if such termination of this Agreement is at or after the time Executive's services to [____] or Provider under the Executive Employment Agreement have been terminated for Cause or by Executive without Good Reason (each as defined in the Executive Employment Agreement with reference to either Provider or [____]), then no Executive Termination Payment shall be due.

(iv) Notwithstanding anything to contrary in this Section 3.4(c), (1) no Executive Termination Payment shall be payable if in connection with the events giving rise to such payment obligation Executive is no longer employed by Provider, and (2) only one Executive Termination Payment shall be paid under this Agreement.

(v) The "Executive Termination Payment" means the net present value (determined by Provider in good faith, as of the date on which Executive's services to [____] are terminated (the "Service Termination Date")) of the sum of:

(1) an amount equal to (x) the Executive Percentage then-in effect multiplied by (y) all Executive Allocated Expenses that would have been allocated to [____] pursuant to Section 2.5 (absent termination of Executive's services to [____]) from and after the Service Termination Date through the earlier of the expiration of the Employment Period or December 31 of the calendar year following the year in which the Service Termination Date occurs (and if the Executive Percentage for such following year has not yet been determined, then the Executive Percentage for such following year will be deemed to be the same as the Executive Percentage for the year in which the Service Termination Date occurs); *plus*

(2) an amount equal to (x) [____]'s allocation of the Aggregate Target Bonus (as defined in the Executive Employment Agreement) for the year in which the Service Termination Date occurs multiplied by (y) the ratio of (A) the number of days remaining in the year in which the Service Termination Date occurs to (B) 365; *plus*

(3) an amount equal to []'s allocation of the Aggregate Target Bonus for the first calendar year commencing after the Service Termination Date (and if []'s allocation of the Aggregate Target Bonus for such year has not yet been determined, then this clause (3) shall refer to []'s allocation of the Aggregate Target Bonus for the year in which the Service Termination Date occurs); *provided*, that if the Service Termination Date occurs during the last calendar year of the Employment Period, then this clause (3) shall equal \$0; *plus*

(4) if the Service Company Term Awards to be granted to Executive by [] pursuant to Section 2.5(b)(ii) of this Agreement have not been granted on or before the Service Termination Date, then an amount equal to the portion of the \$45,000,000 grant value for all Term Awards (as defined in the Executive Employment Agreement) that is allocated to [] pursuant to Section 4.10(b) of the Executive Employment Agreement (and if the portion of the Term Awards that will be allocated to [] pursuant to Section 4.10(b) of the Executive Employment Agreement has not yet been determined, then this clause (4) shall refer to the portion of the Term Awards allocated to [] pursuant to Schedule 2.5 to this Agreement with respect to the Service Company Term Awards granted by [] in December 2019 pursuant to Section 4.10(a) of the Executive Employment Agreement, unless otherwise agreed by the Provider and [], in consultation with the Executive); *provided that* if all Service Company Term Awards have been granted to Executive on or before the Service Termination Date then this clause (4) shall equal \$0; *plus*

(5) if the Annual Executive Incentive Awards to be granted to Executive by [] pursuant to Section 2.5(b)(iii) of this Agreement for the year in which the Service Termination Date occurs have not been granted on or before the Service Termination Date, then an amount equal to the Service Company Target Amount (as defined in the Executive Employment Agreement) applicable to [] pursuant to Section 4.11(b) of the Executive Employment Agreement for such year (and if all Annual Executive Incentive Awards for the year in which the Service Termination Date occurs have been granted to Executive, then this clause (5) shall equal \$0); *plus*

(6) an amount equal to the Service Company Target Amount (as defined in the Executive Employment Agreement) applicable to [] for the first calendar year commencing after the Service Termination Date (and if the Service Company Target Amount for such year has not yet been determined, then this clause (6) shall refer to the Service Company Target Amount applicable to [] for the year in which the Service Termination Date occurs) ; *provided*, that if the Service Termination Date occurs during the last calendar year of the Employment Period, then this clause (6) shall equal \$0.

(d) No Effect on other Services. The Provider shall have no obligation to provide the Services that have been discontinued pursuant to this Section 3.4, and []'s obligation to further compensate the Provider for such Services, in each case, from and after the effective date of the termination of such Services in accordance with this Agreement will remain in effect for the remainder of the Term with respect to those Services that have not been so discontinued. Each party will remain liable to the other for any required payment or performance accrued prior to the effective date of the termination of such Services.

(e) Impact on Equity Awards. The impact of termination of any Services provided by Executive pursuant to this Section 3.4 on the Equity Awards will be as specified in the Equity Award Agreements.”

7. **Amendment to Article V**. Article V of the Original Agreement is amended to insert new Section 5.3 as follows:

“Section 5.3. Equity Awards. [_____] represents and warrants that each equity award granted to Executive with respect to its common stock shall either be exempt from or comply with Section 409A of the Internal Revenue Code of 1986, as amended (“Section 409”). Without limiting the foregoing, each option granted to Executive that is intended to be exempt from Section 409A shall be with respect to “service recipient stock” and with respect to an “eligible issuer of service recipient stock” (each as defined in Section 409A), shall not contain any feature for the deferral of compensation and shall have an exercise or strike price that is not less than the fair market value of such service recipient stock on the grant date of such award.”

8. **Amendment to Section 6.4**. Section 6.4 of the Original Agreement is amended to read in its entirety as follows:

“Section 6.4. Survival. The terms and conditions of this Article VI will survive the expiration or termination of this Agreement only in respect of claims for indemnification asserted against the Indemnitor prior to such termination.”

9. **Amendment to Section 7.6**. Section 7.6 of the Original Agreement is amended to read in its entirety as follows:

“Section 7.6. Third-Party Rights. Nothing expressed or referred to in this Agreement is intended or will be construed to give any Person other than the parties hereto, the [_____] Indemnitees, Provider Indemnitees, Executive and their respective successors and permitted assigns any legal or equitable right, remedy or claim under or with respect to this Agreement, or any provision hereof, it being the intention of the parties hereto that this Agreement and all of its provisions and conditions are for the sole and exclusive benefit of the parties to this Agreement, Executive and their respective successors and assigns. For the avoidance of doubt, Executive shall be considered a third party beneficiary of this Agreement with respect to, and entitled to the rights and benefits set forth in, the Amendment and may enforce the applicable provisions of this Agreement as if Executive was a party hereto.”

10. **Amendment to Section 7.9**. Section 7.9(a) of the Original Agreement is amended to read in its entirety as follows:

“(a) This Agreement will inure to the benefit of and be binding on the parties to this Agreement and their respective legal representatives, successors and permitted assigns, including, for avoidance of doubt successors and assigns of [_____] as a result of a Spin Transaction or a Fundamental Corporate Event (each as defined in the Executive Employment Agreement).”

11. **Amendment to Article VII**. Article VII of the Original Agreement is amended to insert new Section 7.16 as follows:

“Section 7.16. Dispute Resolution. In the event of any dispute arising out of or related to this Agreement or any of the transactions contemplated hereby, the parties shall first negotiate in good faith to resolve such dispute in accordance with this Section 7.16 prior to commencing any action, suit or proceeding before any court or other adjudicatory body. The parties shall designate representatives to meet to negotiate in good faith a resolution of such dispute for a period of thirty days (which may be extended by agreement of the parties). If at the end of the good faith negotiation period the parties fail to resolve the dispute, then the parties shall mediate the dispute before a neutral third party mediator under the then current American Arbitration Association (AAA) procedures for mediation of business disputes. The parties will equally share the cost of the mediation.”

12. Counterparts; Electronic Execution. This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Amendment. Delivery of an executed counterpart of this Amendment electronically (including by e-mail delivery of a “.pdf” format data file) shall be equally as effective as delivery of a manually executed counterpart of this Amendment. Any party delivering an executed counterpart of this Amendment electronically also shall deliver a manually executed counterpart of this Amendment but the failure to deliver a manually executed counterpart shall not affect the validity, enforceability, and binding effect of this Amendment.

13. Entire Agreement. The Original Agreement as amended by this Amendment constitutes the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and thereof, and supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof and thereof.

14. Reaffirmation of the Original Agreement. Except as specifically set forth in this Amendment, all other terms and conditions of the Original Agreement shall remain in full force and effect.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each of the parties has signed this Amendment, or has caused this Amendment to be signed by its duly authorized officer, as of the date first above written.

PROVIDER:

LIBERTY MEDIA CORPORATION

By: _____
Name: Renee Wilm
Title: Chief Legal Officer

[]:

[]

By: _____
Name: Kate Jewell
Title: Assistant Vice President

[Signature Page to [] Amendment]

Schedule 2.5

Executive Percentage

2020 Executive Percentage

For Executive's 2020 compensation, the Executive Percentage for each of Provider, Qurate Retail, Inc. ("Qurate"), Liberty Broadband Corporation ("LBC"), GCI Liberty, Inc. ("GCIL") and Liberty TripAdvisor Holdings, Inc. ("LTAH") and together with Qurate, LBC and GCIL, the "Service Companies" and each, a "Service Company") will be as set forth below, unless a different allocation is otherwise agreed by Provider, the Service Companies and Executive:

	Provider			Qurate	GCIL	LBC	LTAH
	FWONK	LSXMK	BATRK	QRTEA	GLIBA	LBRDK	LTRPB
2020 Executive Percentage (by ticker)	16.0%	23.0%	5.0%	19.0%	14.0%	18.0%	5.0%
2020 Executive Percentage (by company)	44.0%			19.0%	14.0%	18.0%	5.0%

Executive Percentage Methodology

For calendar years 2021 and beyond, the "Executive Percentage" will be determined based on the following two factors, each weighted 50%: (i) the relative market capitalization of shares of Series C Liberty SiriusXM common stock, par value \$0.01 per share ("LSXMK"), Series C Liberty Braves common stock, par value \$0.01 per share ("BATRK"), and Series C Liberty Formula One common stock, par value \$0.01 per share ("FWONK," and together with LSXMK and BATRK, the "Series C Common Stock"), Series A common stock, par value \$0.01 per share, of Qurate ("QRTEA"), Series C common stock, par value \$0.01 per share, of LBC ("LBRDK"), Series A common stock, \$0.01 per share, of GCIL ("GLIBA") and Series B common stock, par value \$0.01 per share, of LTAH ("LTRPB," and together with the Series C Common Stock, QRTEA, LBRDK and GLIBA, the "Common Stock"); and (ii) on the average of (x) the percentage allocation of time for all Provider employees across the applicable Service Companies or tracking stock groups represented by all Series C Common Stock and (y) the Executive's percentage allocation of time across the applicable Service Companies or tracking stock groups represented by all Series C Common Stock (in each case, for the prior calendar year), unless a different allocation method is otherwise agreed by the Provider and the Service Companies in consultation with the Executive.

Certain 2020 Executive Allocated Expenses

For the avoidance of doubt, the aggregate annual base salary and the initial commitment bonus payable to Executive pursuant to the Executive Employment Agreement shall be allocated to, and reimbursed to Provider by, each Service Company in 2020 based on its respective Executive Percentage as set forth below:

	Aggregate Amount	Allocation of Aggregate Annual Base Salary and Initial Commitment Bonus by Company				
		Provider	Qurate	GCIL	LBC	LTAH
2020 Executive Percentage		44.0%	19.0%	14.0%	18.0%	5.0%
2020 Annual Base Salary	\$3,000,000	\$1,320,000	\$570,000	\$420,000	\$540,000	\$150,000
Initial Commitment Bonus	\$5,000,000	\$2,200,000	\$950,000	\$700,000	\$900,000	\$250,000

Direct Compensation

Direct Compensation

The amounts of the annual cash performance bonus, the Annual Executive Incentive Awards and the Service Company Term Awards payable by each Service Company directly to Executive pursuant to Section 2.5(b) of this Agreement shall be determined as follows:

- Annual Cash Performance Bonus. Executive’s aggregate target annual cash performance bonus amount Of \$17 million (“Aggregate Annual Target Cash Bonus”) is allocated to each Service Company based on its respective Executive Percentage and may be made subject to the achievement of one or more performance metrics as described in Section 4.3 of the Executive Employment Agreement;
- Annual Incentive Awards. Executive’s aggregate annual equity award target value of \$17.5 million (“Aggregate Annual Equity Award Target”) is allocated to each Service Company based on its respective Executive Percentage; and
- Service Company Term Awards. Executive’s aggregate upfront stock option and restricted stock unit (“RSU”) grant date value of \$90 million (“Aggregate Term Award”) is allocated to each Service Company based on its respective Executive Percentage.

2020 Allocation

The Aggregate Annual Target Cash Bonus, Aggregate Annual Equity Incentive Award Target and Aggregate Term Award shall be allocated to each Service Company in 2020 based on its respective Executive Percentage as set forth below:

	Aggregate Annual Target Cash Bonus	Allocation of Aggregate Annual Target Cash Bonus by Company				
		Provider	Qurate	GCIL	LBC	LTAH
2020 Executive Percentage		44.0%	19.0%	14.0%	18.0%	5.0%
2020 Annual Target Cash Bonus	\$17,000,000	\$7,480,000	\$3,230,000	\$2,380,000	\$3,060,000	\$850,000

	Aggregate Annual Equity Award Target	Allocation of Aggregate Annual Equity Award Target by Ticker ⁽¹⁾						
		Provider			Qurate	GCIL	LBC	LTAH
		FWONK	LSXMK	BATRK	QRTEA	GLIBA	LBRDK	LTRPB
2020 Executive Percentage		16.0%	23.0%	5.0%	19.0%	14.0%	18.0%	5.0%
2020 Annual Equity Award Target	\$17,500,000	\$2,800,000	\$4,025,000	\$875,000	\$3,325,000	\$2,450,000	\$3,150,000	\$875,000
2020 Annual Equity Awards (by company)	\$17,500,000	Total: \$7,700,000			\$3,325,000	\$2,450,000	\$3,150,000	\$875,000

(1)The exercise price of any options granted by the Provider or a Service Company will equal the fair market value of the underlying stock on the grant date determined in accordance with the governing plan, which will not occur during a blackout. The value will be determined in accordance with the applicable company’s standard grant practice.

	Aggregate Term Award ⁽¹⁾	Allocation of Aggregate Term Award by Ticker ^{(1) (2)}						
		Provider			Qurate	GCIL	LBC	LTAH
		FWONK	LSXMK	BATRK	QRTEA	GLIBA	LBRDK	LTRPB
Executive Percentage		16.0%	23.0%	5.0%	19.0%	14.0%	18.0%	5.0%
2019 tranche	\$45,000,000	\$7,200,000	\$10,350,000	\$2,250,000	\$8,550,000	\$6,300,000	\$8,100,000	\$2,250,000
2020 tranche (estimated)	\$45,000,000	\$7,200,000	\$10,350,000	\$2,250,000	\$8,550,000	\$6,300,000	\$8,100,000	\$2,250,000
Total Term Awards (by company)	\$90,000,000	Total: \$39,600,000			\$17,100,000	\$12,600,000	\$16,200,000	\$4,500,000

(1)The Aggregate Term Award will be split into two equal tranches to be granted in December 2019 and December 2020, with each tranche cliff vesting on December 31 of 2023 and 2024, respectively, except LTAH's awards of upfront RSUs will vest on the fourth anniversary of each grant date.

(2)The exercise price of any options granted by the Provider or a Service Company will equal the fair market value of the underlying stock on the grant date determined in accordance with the governing plan, which will not occur during a blackout. The value will be determined in accordance with the applicable company's standard grant practice.

Methodology for Allocation of 2020 tranche of Aggregate Term Awards

With respect to the second tranche of the Aggregate Term Awards to be granted on or before December 15, 2020, the awards will be the responsibility of the Provider and each Service Company based on an allocation of \$45 million grant value across each class of Common Stock and on the following two factors, each weighted 50%: (i) the relative market value of each such class of Common Stock and (ii) the average of (x) the percentage allocation of time for all Provider employees across the applicable Service Company or tracking stock groups represented by all Series C Common Stock and (y) the Executive's percentage allocation of time across the applicable Service Company or tracking stock groups represented by all Series C Common Stock (in each case, for calendar year 2020), unless a different allocation method is otherwise agreed by the Provider and the Service Companies in consultation with the Executive.

As of December 31, 2019

A table of subsidiaries of GCI Liberty, Inc. is set forth below, indicating as to each the state or jurisdiction of organization and the names under which such subsidiaries do business. Subsidiaries not included in the table are inactive or, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

Entity Name	Domicile
Alaska United Fiber System Partnership	AK
BBN, Inc.	AK
Bortek, LLC	DE
Broadband Holdco, LLC	DE
Celebrate Interactive LLC (fka Celebrate Interactive Holdings, LLC)	DE
Cycle30, Inc.	AK
Denali Media Anchorage, Corp.	AK
Denali Media Holdings, Corp.	AK
Denali Media Juneau, Corp.	AK
Denali Media Southeast, Corp.	AK
Evite, Inc.	DE
GCI Cable, Inc.	AK
GCI Communication Corp.	AK
GCI Fiber Communication Co., Inc.	AK
GCI Holdings, LLC	DE
GCI NADC LLC	AK
GCI SADC LLC	AK
GCI Wireless Holdings, LLC	AK
GCI, LLC	DE
Integrated Logic LLC	AK
Kodiak-Kenai Cable Company, LLC	AK
Kodiak Kenai Fiber Link, Inc.	AK
Liberty Interactive Advertising, LLC	DE
LMC Social, LLC	DE
LV Bridge, LLC	DE
Potter View Development Co., Inc.	AK
Provide Gifts, Inc.	DE
Supervision, Inc.	AK
The Alaska Wireless Network, LLC	DE
Unicom, Inc.	AK
United Utilities, Inc.	AK
United2, LLC	AK
United-KUC, Inc.	AK
Ventures Holdco, LLC	DE
Yukon Tech, Inc.	AK
Yukon Telephone Company, Inc.	AK

Consent of Independent Registered Public Accounting Firm

The Board of Directors
GCI Liberty, Inc.:

We consent to the incorporation by reference in the following registration statements of GCI Liberty, Inc. of our reports dated February 26, 2020, with respect to the consolidated balance sheets of GCI Liberty, Inc. and subsidiaries as of December 31, 2019 and 2018, the related consolidated statements of operations, comprehensive earnings (loss), cash flows, and equity for each of the years in the three-year period ended December 31, 2019, and the related notes, and the effectiveness of internal control over financial reporting as of December 31, 2019, which reports appear in the December 31, 2019 annual report on Form 10-K of GCI Liberty, Inc. Our report dated February 26, 2020, on the consolidated financial statements, refers to a change in the method of accounting for leases.

Our report dated February 26, 2020, on the effectiveness of internal control over financial reporting as of December 31, 2019, expresses our opinion that GCI Liberty, Inc. and subsidiaries did not maintain effective internal control over financial reporting as of December 31, 2019 because of the effect of a material weakness on the achievement of the objectives of the control criteria and contains an explanatory paragraph that states a material weakness has been identified at GCI Holdings, a wholly-owned subsidiary, and included in management's assessment related to:

- Insufficient staffing and training of certain control operators;
- Inadequate assessment of financial reporting risks, which in turn contributed to reliance on business process controls that were not designed and operating effectively to adequately mitigate existing risks;
- Breakdowns in communication of expectations and prioritization of control execution to certain control operators;
- Lack of accountability for effective control operation;
- and
- Insufficient monitoring activities to ensure that the components of internal control are present and functioning.

As a consequence, the information technology general controls around access to financially relevant systems were not consistently operating effectively to ensure that access to data and applications was adequately restricted to appropriate personnel. Additionally, certain business process controls were not appropriately designed to be responsive to existing risks, nor were they consistently operating effectively.

Description	Registration Statement No.	Description
S-8	333-223667	GCI Liberty, Inc. Transitional Stock Adjustment Plan
S-8	333-223668	GCI 401(k) Plan
S-8	333-224896	GCI Liberty, Inc. 2018 Omnibus Incentive Plan
S-8	333-229983	GCI Liberty, Inc. 2018 Omnibus Incentive Plan

/s/ KPMG LLP

Denver, Colorado
February 26, 2020

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Liberty Broadband Corporation:

We consent to the incorporation by reference in the following registration statements of GCI Liberty, Inc. of our report dated February 3, 2020, with respect to the consolidated balance sheets of Liberty Broadband Corporation and subsidiaries as of December 31, 2019 and 2018, the related consolidated statements of operations, comprehensive earnings (loss), cash flows, and equity for each of the years in the three-year period ended December 31, 2019, and the related notes (collectively, the consolidated financial statements), and the effectiveness of internal control over financial reporting as of December 31, 2019, which reports are incorporated by reference in the Form 10-K of GCI Liberty, Inc. dated February 26, 2019.

Our report on the consolidated financial statements refers to a change in the method of accounting for leases at the Company's equity method investee, Charter Communications, Inc., as of January 1, 2019 due to the adoption of Accounting Standard Codification Topic 842, *Leases*.

<u>Description</u>	<u>Registration Statement No.</u>	<u>Description</u>
S-8	333-223667	GCI Liberty, Inc. Transitional Stock Adjustment Plan
S-8	333-223668	GCI 401(k) Plan
S-8	333-224896	GCI Liberty, Inc. 2018 Omnibus Incentive Plan

/s/ KPMG LLP

Denver, Colorado
February 26, 2020

CERTIFICATION

I, Gregory B. Maffei, certify that:

1. I have reviewed this annual report on Form 10-K of GCI Liberty, Inc.;
2. Based on my knowledge, this annual 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 annual report;
3. Based on my knowledge, the financial statements and other financial information included in this annual 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 annual report;
4. The registrant's other certifying officers 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 we 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 annual report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this annual report based on such evaluation; and
 - d) disclosed in this annual 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 officers 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 function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2020

/s/ Gregory B. Maffei
Gregory B. Maffei
President and Chief Executive Officer

CERTIFICATION

I, Brian J. Wendling, certify that:

1. I have reviewed this annual report on Form 10-K of GCI Liberty, Inc.;
2. Based on my knowledge, this annual 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 annual report;
3. Based on my knowledge, the financial statements and other financial information included in this annual 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 annual report;
4. The registrant's other certifying officers 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 we 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 annual report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this annual report based on such evaluation; and
 - d) disclosed in this annual 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 officers 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 function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2020

/s/ Brian J. Wendling _____

Brian J. Wendling

Chief Accounting Officer and Principal Financial Officer

(Principal Accounting Officer and Principal Financial Officer)

Certification**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002****(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)**

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of GCI Liberty, Inc., a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The Annual Report on Form 10-K for the year ended December 31, 2019 (the "Form 10-K") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 26, 2020

/s/ Gregory B. Maffei

Gregory B. Maffei
President and Chief Executive Officer

Date: February 26, 2020

/s/ Brian J Wendling

Brian J. Wendling
Chief Accounting Officer and Principal Financial Officer
(Principal Accounting Officer and Principal Financial Officer)

The foregoing certification is being furnished solely pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code) and is not being filed as part of the Form 10-K or as a separate disclosure document.