BLUCORA, INC.

FORM 10-K
(Annual Report)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2015

OR

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

For the transition period from to

Commission File Number 000-25131

BLUCORA, INC.

(Exact name of registrant as specified in its charter)

Delaware	**91-1718107**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**

10900 NE 8th Street, Suite 800, Bellevue, Washington 98004
(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code:
(425) 201-6100

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

Title of each class	**Name of each exchange on which registered**
Common Stock, par value $0.0001 per share	**NASDAQ Global Select Market**

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

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

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

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

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

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

The aggregate market value of the Common Stock held by non-affiliates of the registrant outstanding as of June 30, 2015 , based upon the closing price of Common Stock on June 30, 2015 as reported on the NASDAQ Global Select Market, was $620.8 million . Common Stock held by each officer and director (or his or her affiliate) has been excluded because such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of February 16, 2016 , 41,207,155 shares of the registrant's Common Stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Part III incorporates certain information by reference from the definitive proxy statement to be filed by the registrant in connection with the 2016 Annual Meeting of Stockholders (the ***"Proxy Statement"***).

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This report contains forward-looking statements that involve risks and uncertainties. The statements in this report that are not purely historical are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Words such as "anticipate," "believe," "plan," "expect," "future," "intend," "may," "will," "should," "estimate," "predict," "potential," "continue," and similar expressions identify forward-looking statements, but the absence of these words does not mean that the statement is not forward-looking. These forward-looking statements include, but are not limited to, statements regarding projections of our future financial performance; trends in our businesses; our future business plans and growth strategy, including our plans to expand, develop, or acquire particular operations or businesses; and the sufficiency of our cash balances and cash generated from operating, investing, and financing activities for our future liquidity and capital resource needs.

Forward-looking statements are subject to known and unknown risks, uncertainties, and other factors that may cause our results, levels of activity, performance, achievements, and prospects to be materially different from those expressed or implied by such forward-looking statements. These risks, uncertainties, and other factors include, among others, those identified under Item 1A, "Risk Factors," and elsewhere in this report. You should not rely on forward-looking statements, which speak only as of the date of this Annual Report on Form 10-K. We do not undertake any obligation to update any forward-looking statement to reflect new information, events, or circumstances after the date of this Annual Report on Form 10-K or to reflect the occurrence of unanticipated events.

PART I

ITEM 1. Business

Overview

Blucora, Inc. (***"Blucora"***) is a leading provider of technology-enabled financial solutions to consumers, small business owners, and tax professionals. Through our operating companies, HD Vest, Inc. (" ***HD Vest*** ") and TaxAct, Inc. (" ***TaxAct*** "), we provide leading products in wealth management and tax preparation services and help millions of individuals manage their financial lives.

In addition, Blucora operates an internet search and content business through our InfoSpace LLC subsidiary (" ***InfoSpace*** ") and an e-commerce business through the operations of Monoprice, Inc. (" ***Monoprice*** "). See "Our History" below for further information related to such businesses and the classification of each within discontinued operations.

Our common stock is listed on the NASDAQ Global Select Market under the symbol "BCOR."

All references in this report to "Blucora," the "Company," "we," "our," or "us" are to Blucora, Inc.

Our History

Blucora began in 1996 under the name InfoSpace, Inc. Over the next two decades, InfoSpace operated a number of digital businesses in search, directory, online commerce, media, and mobile infrastructure markets, with operations since 2008 focusing on search services and content (our "Search and Content business").

In January 2012, InfoSpace, Inc. acquired TaxAct, a leading provider of digital tax preparation solutions for consumers, small business owners, and tax professionals (our "Tax Preparation business"). In connection with this acquisition, InfoSpace, Inc. changed its name to Blucora, Inc. in June 2012.

In August 2013, Blucora acquired Monoprice, Inc., which sells self-branded electronics and accessories to both consumers and businesses (our "E-Commerce business").

On October 14, 2015, Blucora announced the acquisition of HD Vest, which closed on December 31, 2015 . Through its subsidiaries, HD Vest operates the largest U.S. tax-professional-oriented independent broker-dealer, providing wealth management solutions to financial advisors nationwide (our "Wealth Management" business). As part of that announcement, we also stated our plans to divest the Search and Content and E-Commerce businesses, in order to focus more strategically on the technology-enabled financial solutions market (the " ***Strategic Transformation*** ").

As a result of the Strategic Transformation, the results of operations of the Search and Content and E-Commerce businesses have been classified as discontinued operations for all periods presented in this report. See " Note 4: Discontinued Operations " of the Notes to Consolidated Financial Statements in Part II Item 8 of this report for additional information. In

addition, as of December 31, 2015, we have two reportable segments: the Wealth Management segment, which is comprised of the HD Vest business, and the Tax Preparation segment, which is comprised of the TaxAct business.

See " Note 2: Summary of Significant Accounting Policies " of the Notes to Consolidated Financial Statements in Part II Item 8 of this report for additional information on the Tax Preparation business and its revenue. See " Note 12: Segment Information " of the Notes to Consolidated Financial Statements in Part II Item 8 of this report for information regarding revenue, operating income, and assets for our Tax Preparation business.

Our Businesses

Wealth Management Business

Our Wealth Management business distributes products and services through financial advisors who affiliate with HD Vest's subsidiaries as independent contractors. HD Vest provides financial advisors with an integrated platform of brokerage, investment advisory and insurance services to assist in making each financial advisor a financial service center for his/her clients. HD Vest generates revenue primarily through commissions, quarterly investment advisory fees based on assets under management, and other fees.

HD Vest has established a leading brokerage and technology platform focused on tax and accounting professionals, maintaining an independent network of approximately 4,600 financial advisors with branch offices in all 50 states. HD Vest's financial advisors provide financial solutions to more than 360,000 clients with approximately $37 billion of assets as of December 31, 2015 .

HD Vest was founded to help certified public accountants (***"CPAs"***) and tax professionals integrate investment planning services into their practices. The company believes that tax and accounting professionals, with their existing client relationships and in-depth knowledge of their clients' financial situations, have a competitive advantage and are better positioned than competitors to provide financial solutions. HD Vest primarily recruits independent CPAs and tax professionals with established tax practices and offers specialized training and support, which allows them to join the HD Vest platform as independent financial advisors. HD Vest's specialized model provides an open-architecture investment platform and technology tools to help financial advisors identify investment opportunities for their clients, while the long-standing tax advisory relationships provide a large source of possible investment clients. This results in an experienced and stable network of financial advisors, who have multiple revenue-generating options to diversify their earnings sources.

Tax Preparation Business

Our Tax Preparation business provides digital do-it-yourself (***"DDIY"***) tax preparation solutions for consumers, small business owners, and tax professionals. TaxAct generates revenue primarily through its online service at www.TaxAct.com.

TaxAct, a top-three provider of digital tax preparation solutions, has leveraged its strong brand, comprehensive suite of tax preparation solutions, and proven online lead generation capabilities to enable the filing of more than 60 million federal consumer tax returns since 2000. TaxAct operates as the value player in its market, with a mission to empower people to navigate the complexities of tax preparation with ease and accuracy at a fair price.

We had four DDIY product offerings for consumers for tax year 2014: a free federal edition that handled simple and complex returns; the free federal edition plus a paid state edition; a "deluxe" product offering that contained all of the features of the free federal edition plus taxpayer phone support, import capabilities, return preparation assistance tools, and enhanced reporting; and an "ultimate" product offering that contained all of the deluxe offering features plus the ability to file a state return. Our small business DDIY product offering consisted of easy-to-use interview-based tax filing solutions for small business owners. TaxAct offers its products with a price lock guarantee, whereby the price at the start of the tax return filing process holds until the return is filed, rather than pricing the product at the time that the tax return is filed. We believe this price lock guarantee ensures price transparency and differentiates TaxAct from its competitors. In addition to these core offerings, TaxAct also offers ancillary services such as refund payment transfer, data archive services, audit defense, stored value cards, and other add-on services. TaxAct's value proposition and established reputation attract value-conscious and unsatisfied customers away from competitor platforms and onto the TaxAct platform.

TaxAct's professional tax preparer software allows professional tax preparers to prepare and file individual and business returns for their clients. TaxAct offers flexible pricing and packaging options that help tax professionals save money by paying only for what they need. In addition, the professional tax preparer software includes valuable features that tax professionals

count on to maximize their efficiency and productivity, including the option of entering data directly into tax forms, utilizing the question-and-answer interview method to enter data, or easily toggling between the two data entry methods.

Discontinued Operations

As previously announced, we intend to divest our Search and Content and E-Commerce businesses in the first half of 2016 as part of the Strategic Transformation. As such, our InfoSpace and Monoprice businesses have been classified as discontinued operations.

Our Search and Content business, InfoSpace, primarily offers search services to users of our owned and operated and distribution partners' web properties, as well as online content. Search services provided through our owned and operated web properties include services through websites such as Dogpile.com, WebCrawler.com, and HowStuffWorks.com. Search services provided to our distribution partners include services to a network of distribution partners through the respective web properties of those distribution partners, which are generally private-labeled and customized to address the unique requirements of each distribution partner. Our Search and Content revenue primarily consists of advertising revenue generated through end-users clicking on paid listings included in the search result displays, as well as from advertisements appearing on our HowStuffWorks.com website. The paid listings, as well as algorithmic search results, are primarily supplied by Google, Yahoo!, and Bing, whom we refer to as our "Search Customers." See "Risks Related to our Discontinued Operations" in Part I Item 1A of this report for additional information regarding the risks associated with the concentration of our search customers and related revenue.

Our E-Commerce business, Monoprice, is an online retailer of self-branded electronics and accessories to both consumers and businesses. Monoprice offers its products for sale through the www.monoprice.com website, where the majority of our E-Commerce revenue is derived, and fulfills those orders from our warehouses in Rancho Cucamonga, California and Hebron, Kentucky, the latter of which commenced operations in September 2015. We also sell our products through reseller and marketplace agreements. Consumers are able to access and purchase products 24 hours a day from the convenience of a computer or a mobile device. Monoprice's team of customer service representatives assists customers primarily by online chat or email. Nearly all sales are to customers located in the United States.

Growth Strategy

Our evolving growth strategy for HD Vest and TaxAct includes participating in favorable industry trends and executing growth strategies that we believe will result in customer and advisor retention and growth beyond that of the broader markets in which we operate.

Favorable Industry Trends

- *Wealth Management Industry Trends* - We believe that HD Vest is and will be the beneficiary of several positive industry trends, including growth of investable assets driven by baby boomers' retirement accounts, a continued migration to independent advisor channels, and a continued shift toward household use of financial advisors.

- *Tax Preparation Industry Trends* - TaxAct participates in the consumer DDIY tax preparation solutions market, which is the fastest growing segment in the tax preparation industry and is bolstered by a growing millennial population that continues to adopt technology-enabled financial solutions that drive value and ease in their everyday lives.

Executing our Growth Strategies

- *Innovate Continuously* - As emerging technology and market trends change the way people manage their financial lives, our solutions also evolve. The retention and growth of our customer and advisor base are dependent, in part, upon our ability to deliver technology-enabled financial solutions that optimize user experience and capitalize on current technology.

- *Offer a Comprehensive Product Suite* - The products and services offered by HD Vest and TaxAct constitute a comprehensive suite of financial solutions. We believe that continued expansion of financial solutions, whether proprietary or third party, will be a source of growth for each business. In addition, the combination of HD Vest and TaxAct provides meaningful cross-selling opportunities for both businesses, further contributing to customer and advisor retention and growth.

- *Continue to Provide Quality Customer Support, Education, and Training* - A key element of our HD Vest business model is the ongoing education and training of tax professionals, which enables them to become financial advisors and effectively manage a growing wealth management practice. HD Vest provides these tax professionals with the resources and support to build confidence and competence, enabling them to grow assets under administration. The importance of quality customer support and education also flows through to our TaxAct business, where a seasoned tax support team provides support and education to consumers and tax professionals.

Research and Development

Our tax preparation products are delivered primarily via software and online platforms. Since the markets for software and online technology are characterized by rapid technological change, shifting customer needs and frequent new product introductions and enhancements, a continuous high level of investment is required to innovate and quickly develop new products and services as well as enhance existing offerings. Our product development efforts are becoming more important than ever as people and businesses are increasingly connected by technology and expect access to services at any place or time. Our research and development expenses from the Tax Preparation business were $4.8 million in 2015 , $2.8 million in 2014 , and $2.6 million in 2013 . These amounts exclude any amounts spent on research and development by the HD Vest business prior to our acquisition of this business.

Seasonality

Our Tax Preparation business is highly seasonal, with a significant portion of our annual revenue for such services earned in the first four months of our fiscal year. We anticipate that the seasonal nature of that part of the businesses will continue in the foreseeable future.

Competition

We face intense competition in all markets in which our businesses operate. Many of our competitors or potential competitors have substantially greater financial, technical, and marketing resources, larger customer bases, longer operating histories, more developed infrastructures, greater brand recognition, better access to vendors, and more established relationships. Our competitors may be able to adopt more aggressive pricing policies, develop and expand their product and service offerings more rapidly, adapt to new or emerging technologies more quickly, take advantage of acquisitions and other opportunities more readily, achieve greater economies of scale, and devote greater resources to the marketing and sale of their products and services than we can. For our businesses to be successful, we must be competitive in the Wealth Management and Tax Preparation markets, as described in more detail below.

Wealth Management Competition

As a result of the HD Vest acquisition, we will face additional competition in the wealth management industry, which is a highly competitive global industry. We and our financial advisors will compete directly with a variety of financial institutions, including traditional wirehouses, independent broker-dealers, registered investment advisors, asset managers, banks and insurance companies, and direct distributors. Mergers and acquisitions have resulted in consolidation in the wealth management industry. As a result, many of our competitors may have greater financial resources, broader and deeper distribution capabilities, and a more comprehensive offering of products and services. We and our financial advisors will compete directly with those companies for the provision of products and services to clients, as well as for retention and hiring of financial advisors.

We believe that our competitive position in the wealth management industry is a function of our ability to:

- offer high-quality advice and competitive product pricing;
- offer a value proposition (in terms of brand recognition, reputation, and financial advisor payouts) that is sufficient to recruit and retain financial advisors;
- offer products that are attractive to financial advisors and their clients;
- negotiate competitive compensation arrangements with third-parties, including vendors, suppliers, and product sponsors;
- develop and react to new technology, services and regulation in the financial services industry; and
- put in place a sufficient support and service network required to support our financial advisors and clients.

Tax Preparation Competition

Our TaxAct business operates in a very competitive marketplace. There are many competing software products and online services. Intuit's TurboTax and H&R Block's products and services have a significant percentage of the software and online service market. Our TaxAct business must also compete with alternate methods of tax preparation, including "pencil and paper" do-it-yourself return preparation by individual filers and storefront tax preparation services, including both local tax preparers and large chains such as H&R Block, Liberty, and Jackson Hewitt. Finally, our TaxAct business faces the risk that state or federal taxing agencies will offer software or systems to provide direct access for individual filers that will reduce the need for TaxAct's software and services.

We believe that our competitive position in the market for tax preparation software and services is a function of our ability to:

- offer competitive pricing;
- continue to offer high-quality, easy-to-use, and accessible software and services that are compelling to consumers;
- market the software and services in a cost effective way; and
- offer ancillary services that are attractive to users.

Discontinued Operations

In the online search market, we face competition from multiple sources, including our Search Customers. In particular, Google, Yahoo!, and Bing (Microsoft) collectively control a significant majority of the consumer-facing online search market serviced by our owned and operated sites and those of our distribution partners. Each of these three companies provides search results to our search services in addition to competing for Internet users. Our distribution partners also compete with us for Internet users. We also compete with our Search Customers and other content providers for contracts with new and existing distribution partners. Our E-Commerce business operates in a very competitive marketplace with low barriers to entry. Our competitors that offer similar products include existing well-known brands that operate online e-commerce sites and offline retail stores, as well as new entrants to the e-commerce market.

Privacy and Security of Customer Information and Transactions

Our TaxAct business is subject to various federal, state and international laws and regulations and to financial institution and healthcare provider requirements relating to the privacy and security of the personal information of customers and employees. We are also subject to laws and regulations that apply to the Internet, behavioral tracking and advertising, mobile applications and messaging, telemarketing, email activities, data hosting and retention, financial and health information, and credit reporting. Additional laws in all of these areas are likely to be passed in the future, which could result in significant limitations on or changes to the ways in which we can collect, use, host, store, or transmit the personal information and data of our customers or employees, communicate with our customers, and deliver products and services, or may significantly increase our compliance costs. As our business expands to new industry segments and new uses of data that are regulated for privacy and security, or to countries outside the United States that have strict data protections laws, our compliance requirements and costs will increase.

Through a privacy policy framework designed to be consistent with globally recognized privacy principles, we comply with United States federal and other country guidelines and practices to help ensure that customers and employees are aware of, and can control, how we use information about them. The TaxAct.com website and its online products have been certified by TRUSTe, an independent organization that operates a website and online product privacy certification program representing industry standard practices to address users' and regulators' concerns about online privacy. We also use privacy statements to provide notice to customers of our privacy practices, as well as provide them the opportunity to furnish instructions with respect to use of their personal information. We participate in industry groups whose purpose is to develop or shape industry best practices, and to influence public policy for privacy and security.

To address security concerns, we use security safeguards to help protect the systems and the information customers give to us from loss, misuse and unauthorized alteration. Whenever customers transmit sensitive information, such as credit card information or tax return data, through one of our websites or products, we use industry standards to encrypt the data as it is transmitted to us. We work to protect our systems from unauthorized internal or external access using numerous commercially available computer security products as well as internally developed security procedures and practices.

HD Vest's subsidiaries are subject to privacy regulation under federal and state law, which has been, and will continue to be, an area of focus for regulators.

Governmental Regulation

Blucora is a publicly traded company that is subject to Securities and Exchange Commission (***"SEC"***) and NASDAQ Global Select Market rules and regulations regarding public disclosure, financial reporting, internal controls, and corporate governance. The adoption of the Sarbanes-Oxley Act of 2002, as well as the implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act (***"Dodd-Frank Act"***), have significantly expanded the nature and scope of these rules and regulations.

Our Wealth Management and Tax Preparation segments are subject to federal and state government requirements, including regulations related to consumer protection, user privacy, security, pricing, taxation, intellectual property, labor, advertising, broker-dealers, securities, investment advisors, asset management, insurance, listing standards and product and services quality. In addition, our Wealth Management business is subject to certain additional financial industry regulations and supervision, including by the SEC, the Financial Industry Regulatory Authority (*" **FINRA** "*), state securities and insurance regulators, and other regulatory authorities. We also offer certain other products and services to small businesses and consumers, which are also subject to regulatory requirements. As we expand our products and services, both domestically and internationally, we may become subject to additional government regulation. Further, regulators may adopt new laws or regulations or their interpretation of existing laws or regulations may differ from ours or expand to cover additional products and services. These increased regulatory requirements could impose higher regulatory compliance costs, limitations on our ability to provide some services in some states or countries, and liabilities that might be incurred through lawsuits or regulatory penalties. See the section entitled "Risks Common to our Businesses" in Part I Item 1A of this report for additional information regarding the potential impact of governmental regulation on our operations and results.

We are subject to federal and state laws and government regulations concerning employee safety and health and environmental matters. The Occupational Safety and Health Administration, the Environmental Protection Agency, and other federal and state agencies have the authority to promulgate regulations that may have an impact on our operations.

Intellectual Property

Our success depends significantly upon our technology and intellectual property rights. We seek to protect such rights and the value of our corporate brands and reputation through a variety of measures, including: domain name registrations, confidentiality and intellectual property assignment agreements with employees and third parties, protective contractual provisions, and laws regarding copyrights, patents, trademarks, and trade secrets. We hold multiple issued patents and registered trademarks in the United States and in various foreign countries and we apply for additional patents and trademarks as business needs require. We may not be successful in obtaining issuance or registration for such applications or in maintaining existing patents and trademarks. In addition, issued patents and registered marks may not provide us with any competitive advantages. We may be unable to adequately or cost-effectively protect or enforce our intellectual property rights, and failure to do so could weaken our competitive position and negatively impact our business and financial results. If others claim that our products infringe their intellectual property rights, we may be forced to seek expensive licenses, re-engineer our products, engage in expensive and time-consuming litigation, or stop marketing and licensing our products. See the section entitled "Risks Common to our Businesses" in Part I Item 1A of this report for additional information regarding protecting and enforcing intellectual property rights by us and third parties against us.

Employees

As of December 31, 2015 , we had 772 full-time employees, of which 298 were part of our Search and Content and E-Commerce businesses. None of our employees are represented by a labor union, and we consider employee relations to be positive. There is significant competition for qualified personnel in the industries in which we operate, particularly for software development and other technical staff. We believe that our future success will depend in part on our continued ability to hire and retain qualified personnel.

Acquisitions

Our acquisition of HD Vest closed on December 31, 2015 . TaxAct acquired SimpleTax Software Inc. (" ***SimpleTax*** ") on July 2, 2015 and Balance Financial, Inc. (" ***Balance Financial*** ") on October 4, 2013 . For further detail on these acquisitions, see " Note 3: Business Combinations " of the Notes to Consolidated Financial Statements in Part II Item 8 of this report.

Company Internet Site and Availability of SEC Filings

Our corporate website is located at www.blucora.com. We make available on that site, as soon as reasonably practicable, our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, proxy statements, Current Reports on Form 8-K, other reports filed with or furnished to the U.S. Securities and Exchange Commission (the " ***SEC*** "), as well as any amendments to those filings. Our SEC filings, as well as our Code of Ethics and Conduct and other corporate governance documents, can be found in the Investor Relations section of our site and are available free of charge. Information on our website is not part of this Annual Report on Form 10-K. In addition, the SEC maintains a website at www.sec.gov that contains reports, proxy and information statements, and other information regarding us and other issuers that file electronically with the SEC.

ITEM 1A. Risk Factors

R ISKS A SSOCIATED W ITH OUR S TRATEGIC T RANSFORMATION

As a result of the HD Vest Acquisition, we may face significant disruptions, business conflicts, inefficiencies, and other related risks.

On October 14, 2015, we announced that Blucora had entered into a definitive agreement to acquire HDV Holdings, Inc., the holding company for the group of companies that comprise the Wealth Management business, for $611.9 million , including cash acquired and subject to adjustments (the ***"HD Vest Acquisition"***). For further discussion of the terms of the HD Vest Acquisition, see the "Strategic Transformation" section in Part II Item 7 and " Note 3: Business Combinations " of the Notes to Consolidated Financial Statements in Part II Item 8 of this annual report. We expect to face certain risks in connection with the HD Vest Acquisition, including the following:

- Uncertainty and disruptions may negatively impact HD Vest's relationships with its employees, its financial advisors, or those advisors' relationships with their clients, which could materially harm HD Vest's financial condition and results of operations;
- We may fail to realize the anticipated benefits of the HD Vest Acquisition (including the expected operational, revenue, and cost synergies with our Tax Preparation business and the level of revenue and profitability growth that we are expecting), whether attributable to regulatory limitations, operational realities, or otherwise;
- We may face difficulties, including loss of key employees, disruptions in our ongoing operations, and diversion of our and HD Vest's management's attention from ongoing operations and opportunities, in integrating the operations, technologies, products, services, IT systems, controls, and policies and procedures of HD Vest and in upgrading our internal control over financial reporting and disclosure controls and procedures to incorporate the HD Vest operations;
- The failure to retain key management responsible for the operations of HD Vest could materially and adversely impact those operations, particularly due to the fact that our management team at the corporate level lacks significant experience in the financial services industry;
- Even if we retain HD Vest's key management and other employees, we will need to attract and retain additional management resources to continue implementing our change in strategy to a company focused on the technology-enabled financial solutions market;
- The market for the financial advisors upon whom HD Vest relies is extremely competitive, and failing to retain these individuals would undermine the anticipated benefits of the HD Vest Acquisition, and could also significantly increase our recruiting and retention costs;
- Our management's attention may be diverted from the daily operations of our existing businesses and from the execution of our plans to divest the InfoSpace and Monoprice businesses;
- Our financial results may be materially and adversely impacted by cash expenses and non-cash charges incurred in connection with the HD Vest Acquisition or in the future if goodwill or other intangible assets we acquired in the HD Vest Acquisition become impaired in the future;
- Notwithstanding the due diligence investigation we performed in connection with the HD Vest Acquisition, HD Vest may have liabilities, losses, or other exposures (including regulatory risks) for which we do not have adequate insurance coverage, indemnification, or other protection; and
- We incurred substantial additional indebtedness to finance the HD Vest Acquisition, which will increase our vulnerability to increased debt service requirements should interest rates rise, reducing the amount of expected cash

flow available for other purposes, including capital expenditures and acquisitions, and limiting our flexibility in planning for, or reacting to, changes in our businesses and industries.

Our financial and operating results may suffer if we are unsuccessful in integrating HD Vest, and any new businesses or technologies associated with HD Vest may not be complementary to our current operations or leverage our current infrastructure and operational experience.

The process of integrating HD Vest and technologies associated with it involves numerous risks that could materially and adversely affect our results of operations or stock price, including:

- expenses related to the acquisition process and impairment charges to goodwill and other intangible assets related to the acquisition;
- diversion of management's or other key personnel's attention from current operations and other business concerns and potential strain on financial and managerial controls and reporting systems and procedures;
- disruption of our ongoing businesses, including impairment of existing relationships with employees, distributors, suppliers, or customers;
- difficulties in assimilating the operations, products, technology, information systems, and management and other personnel of HD Vest that result in unanticipated allocation of resources, costs, or delays;
- the dilutive effect on earnings per share as a result of issuances of stock, incurring operating losses, and the amortization of intangible assets for HD Vest;
- stock volatility due to investors' uncertainty regarding the value of HD Vest;
- higher debt service costs and a decline in stockholder equity in the event of poor financial performance;
- diversion of capital from other uses;
- failure to achieve the anticipated benefits of the acquisition in a timely manner, or at all; and
- adverse outcome of litigation matters or other contingent liabilities assumed in or arising out of the acquisition.

Developing or acquiring a business or technology, and then integrating it with our other operations, is complex, time-consuming, and expensive. The successful integration of an acquisition requires, among other things, that we: retain key personnel; maintain and support preexisting supplier, distribution, and customer relationships; and integrate accounting and support functions. The complexity of the technologies and operations being integrated and the disparate corporate cultures and/or industries being combined may increase the difficulties of integrating an acquired technology or business.

We may face significant challenges in our plans to divest our InfoSpace and Monoprice businesses.

As part of our Strategic Transformation announcement, we outlined plans to divest our InfoSpace and Monoprice businesses, because they no longer align with our new strategic focus on the technology-enabled financial solutions industry. These planned divestitures pose risks and challenges that could materially and adversely impact our business, financial condition, and results of operations, including:

- The uncertainty resulting from our announced plans to divest InfoSpace and Monoprice could cause significant disruptions in their businesses, including loss of key Search Customers, distribution partners, and suppliers or employees, that could harm the business, financial condition, and results of operations of our Search and Content and E-Commerce segments and make it difficult to complete the divestitures;
- Efforts to divest InfoSpace and Monoprice may divert our management's attention from our ongoing operations and the integration of HD Vest;
- We may be unable to identify suitable buyers of either business on acceptable terms, or at all;
- There are significant risks and uncertainties in the sales process, including the timing and uncertainty of completion of any transaction and the fulfillment of closing conditions, some of which may be outside of our control;
- Any significant delay in the completion of these divestitures, or the failure to complete the divestitures, may negatively impact our ability to implement our new strategic focus, delay repayment of indebtedness, negatively impact our ability to achieve our previously announced plans to reduce corporate operating expenses, and may impact our capital allocation priorities;

- Our results of operations may be negatively impacted by cash expenses and non-cash charges incurred in connection with the planned divestitures of InfoSpace and Monoprice, including retention and severance costs, transaction expenses, and asset impairment charges, which expenses and charges could be substantial whether or not we are able to divest these businesses; and
- Even if we succeed in divesting InfoSpace or Monoprice, the terms of any transaction may require us to retain certain liabilities or provide the purchaser with certain indemnification protection that could expose us to continued risks of these businesses.

RISKS ASSOCIATED WITH OUR BUSINESSES

Our financial condition and results of operations may be materially and adversely affected by market fluctuations and by economic, political, and other factors.

Our financial condition and results of operations have been, and may in the future be, materially and adversely affected by market conditions and by economic and other factors. Such factors, which can be global, national or local in nature, include: political, social, economic and market conditions; the availability and cost of capital (whether debt or equity); the level and volatility of equity prices, commodity prices and interest rates, currency values and other market indices; technological changes and events; U.S. and foreign government fiscal and tax policies; U.S. and foreign government ability, real or perceived, to avoid defaulting on government securities; inflation; investor sentiment and confidence in the financial markets; decline and stress or recession in the U.S. and global economies generally; terrorism and armed conflicts; and natural disasters such as weather catastrophes and widespread health emergencies. Furthermore, changes in consumer economic variables, such as the number and size of personal bankruptcy filings, the rate of unemployment, decreases in property values, and the level of consumer confidence and consumer debt, may substantially affect consumer loan levels and credit quality, which, in turn, could impact client activity in all of our businesses. These factors also may have an impact on our ability to achieve our strategic objectives, including our divestiture of InfoSpace and Monoprice.

In particular, because the majority of our Tax Preparation business revenue and all of our Wealth Management business revenue is derived from sales within the U.S., economic conditions in the U.S. have an even greater impact on us than companies with a more diverse international presence. Challenging economic times could cause potential new customers not to purchase or to delay purchasing of our products and services, and could cause our existing customers to discontinue purchasing or delay upgrades of our existing products and services, thereby negatively impacting our revenues and future financial results. Poor economic conditions and high unemployment have caused, and could in the future cause, a significant decrease in the number of tax returns filed, which may have a significant effect on the number of tax returns we prepare and file. In addition, weakness in the end-user consumer and small business markets could negatively affect the cash flow of our distributors and resellers who could, in turn, delay paying their obligations to us, which could increase our credit risk exposure and cause delays in our recognition of revenue or future sales to these customers. Any of these events could materially harm our business and our future financial results.

In addition, our Wealth Management business operates in the U.S. and global capital and credit markets and derives a substantial portion of its revenue from fees based on client assets. Therefore, fluctuations in the U.S. and global equity and debt markets can have a significant impact on HD Vest's revenues and earnings. As a result, these factors could materially and adversely impact our financial condition and results of operations.

We believe that investment performance is an important factor in the success of our Wealth Management business. Poor investment performance could impair our revenues and earnings, as well as our prospects for growth. Clients do not have long-term obligations to us and can terminate their relationships with us or our financial advisors at will. Our clients can also reduce the aggregate amount of their assets managed by us or shift their funds to other types of accounts with different rate structures, for any number of reasons, including investment performance, changes in prevailing interest rates, changes in investment preferences, changes in our (or our financial advisors') reputation in the marketplace, changes in client management or ownership, loss of key investment management personnel and financial market performance. A reduction in managed assets, and the associated decrease in revenues and earnings, could have a material adverse effect on our business, financial condition, and financial results.

Future revenue growth depends upon our ability to adapt to technological change and successfully introduce new and enhanced products and services.

The tax preparation and wealth management industries are characterized by rapidly changing technology, evolving industry standards, and frequent new product introductions. Our competitors in such industries offer new and enhanced

products and services every year. Consequently, client expectations are constantly changing. We must successfully innovate and develop or offer new products and features to meet evolving client needs and demands, while continually updating our technology infrastructure. We must devote significant resources to continue to develop our skills, tools, and capabilities in order to capitalize on existing and emerging technologies. Our inability to quickly and effectively innovate our products, services, and infrastructure could harm our business and financial results.

Our Tax Preparation business also faces potential competition from the public sector, where we face the risk of federal and state taxing authorities developing software or other systems to facilitate tax return preparation and electronic filing at no charge to taxpayers. These or similar programs may be introduced or expanded in the future, which may cause us to lose customers and revenue. Although the Free File Alliance has kept the federal government from being a direct competitor to our tax offerings, we anticipate that governmental encroachment at both the federal and state levels may present a continued competitive threat to our business for the foreseeable future. The current agreement with the Free File Alliance is scheduled to expire in October 2020.

Our online tax preparation products and services have historically been provided through desktop computers, but the number of people who access similar offerings through mobile devices has increased dramatically in the past few years. We have limited experience to date in mobile platform development, and our existing user experience may not be compelling on mobile devices. Given the speed at which new devices and platforms are being released, it is difficult to predict the problems we may encounter in developing versions of our products and services for use on newly developed devices, and we may need to devote significant resources to the creation, support, and maintenance of new user experiences. If we are slow to develop products and services that are compatible with these new devices, particularly if we cannot do so as quickly as our competitors, our market share will decline. In addition, such new products and services may not succeed in the marketplace, resulting in lost market share, wasted development costs, and damage to our brands.

If we are unable to develop, manage, and maintain critical third party business relationships for our Tax Preparation and Wealth Management businesses, those businesses may be materially and adversely affected.

Our Tax Preparation and Wealth Management businesses are dependent on the strength of our business relationships and our ability to continue to develop, maintain, and leverage new and existing relationships. We rely on various third party partners, including software and service providers, suppliers, vendors, distributors, contractors, financial institutions, and licensing partners, among others, in many areas of these businesses to deliver our services and products. In certain instances, the products or services provided through these third party relationships may be difficult to replace or substitute, depending on the level of integration of the third party's products or services into, or with, our offerings and/or the general availability of such third party's products and services. In addition, there may be few or no alternative third party providers or vendors in the market. The failure of third parties to provide acceptable and high quality products, services, and technologies or to update their products, services, and technologies may result in a disruption to our business operations, which may materially reduce our revenues and profits, cause us to lose customers and clients, and damage our reputation. Alternative arrangements and services may not be available to us on commercially reasonable terms or we may experience business interruptions upon a transition to an alternative partner.

Our Wealth Management business distributes certain investment and insurance products through distribution agreements with third-party financial institutions, including banks, mutual funds, and insurance companies. These products are sold by our financial advisors, who are independent contractors. Maintaining and deepening relationships with these unaffiliated distributors and financial advisors is an important part of our growth strategy because strong third-party distribution arrangements enhance our ability to market our products and increase our assets under management, revenues, and profitability. There can be no assurance that the distribution and financial advisor relationships we have established will continue. Our distribution partners and financial advisors may cease to operate, consolidate, institute cost-cutting efforts, or otherwise terminate their relationship with us. Any such reduction in access to third-party distributors and financial advisors may have a material adverse effect on our ability to market our products and to generate revenue in our Wealth Management segment.

Access to investment and insurance product distribution channels is subject to intense competition due to the large number of competitors and products in the broker-dealer, investment advisory and insurance industries. Relationships with distributors are subject to periodic negotiation that may result in increased distribution costs and/or reductions in the amount of revenue we realize based on sales of particular products or client assets. In addition, regulatory changes may negatively impact our revenues and profits related to particular products or services. Any increase in the costs to distribute our products or reduction in the type or amount of products made available for sale, or revenue associated with those products, may have a material adverse effect on our revenues and profitability.

The Tax Preparation and Wealth Management markets are very competitive, and failure to effectively compete will materially and adversely affect our financial results.

Our Tax Preparation business operates in a very competitive marketplace. There are many competing software products and online services. Intuit's TurboTax and H&R Block's products and services have a significant percentage of the software and online service market. Our Tax Preparation business must also compete with alternate methods of tax preparation, including "pencil and paper" do-it-yourself return preparation by individual filers and storefront tax preparation services, including both local tax preparers and large chains such as H&R Block, Liberty, and Jackson Hewitt. Finally, our Tax Preparation business faces the risk that state or federal taxing agencies will offer software or systems to provide direct access for individual filers that will reduce the need for TaxAct's software and services. Our financial results may materially suffer if we cannot continue to offer software and services that have quality and ease-of-use that are compelling to consumers; market the software and services in a cost-effective manner; offer ancillary services that are attractive to users; and develop the software and services at a low enough cost to be able to offer them at a competitive price point.

The wealth management industry in which HD Vest operates is highly competitive, and we may not be able to maintain our clients, financial advisors, distribution network, or the terms on which we provide our products and services. HD Vest competes based on a number of factors, including name recognition, service, the quality of investment advice, investment performance, technology, product offerings and features, price, and perceived financial strength. Competitors in the wealth management industry include broker-dealers, banks, asset managers, insurers, and other financial institutions. Many of these competitors have greater market share, offer a broader range of products and have greater financial resources. In addition, over time certain sectors of the wealth management industry have become considerably more concentrated, as financial institutions involved in a broad range of financial services have been acquired by or merged into other firms. This consolidation could result in our competitors gaining greater resources, and we may experience pressures on our pricing and market share as a result of these factors and as some of our competitors seek to increase market share by reducing prices.

Our operation systems and network infrastructure is subject to significant and constantly evolving cybersecurity or other technological risks, and the security measures that we have implemented to secure confidential and personal information may be breached; a potential breach may pose risks to the uninterrupted operation of our systems, expose us to mitigation costs, litigation, investigation and penalties by authorities, claims by persons whose information was disclosed, and damage to our reputation.

We collect and retain certain sensitive personal data. Our Tax Preparation and Wealth Management businesses collect, use, and retain large amounts of confidential personal and financial information from their customers and clients, including information regarding income, assets, family members, credit cards, tax returns, bank accounts, social security numbers, and healthcare. Maintaining the integrity of these systems and networks is critical to the success of our business operations, including the retention of our customers, clients and advisors, and to the protection of our proprietary information and our customers' and clients' personal information. A major breach of our systems or those of our third-party service providers may have materially negative consequences for our businesses, including possible fines, penalties and damages, reduced demand for our services, harm to our reputation and brands, further regulation and oversight by federal or state agencies, and loss of our ability to provide financial transaction services or accept and process customer credit card orders or tax returns. We may detect, or we may receive notices from customers or clients or public or private agencies that they have detected, vulnerabilities in our servers, our software, or third-party software components that are distributed with our products. The existence of vulnerabilities, even if they do not result in a security breach, may harm customer and client confidence and require substantial resources to address, and we may not be able to discover or remediate such security vulnerabilities before they are exploited.

We are subject to laws, regulations, and industry rules relating to the collection, use, and security of user data. We expect regulation in this area to increase. As a result of our current data protection policies and practices may not be sufficient and thus may require modification. New regulations may require notification to customers, clients, or employees of a security breach, restrict our use of personal information, and hinder our ability to acquire new, or market to, existing customers and clients. As our business continues to expand to new industry segments that may be more highly regulated for privacy and data security, our compliance requirements and costs may increase. We have incurred, and may continue to incur, significant expenses to comply with privacy and security standards and protocols imposed by law, regulation, industry standards, and contractual obligations.

In addition, hackers may develop and deploy viruses, worms, and other malicious software programs that can be used to attack our offerings. Although we utilize network and application security measures, internal controls, and physical security procedures to safeguard our systems, there can be no assurance that a security breach, intrusion, or loss or theft of personal information will not occur. Any such incident may materially harm our business, reputation, and future financial results and may require us to expend significant resources to address these problems, including notification under data privacy regulations. In addition, our employees (including temporary and seasonal employees) and contractors may have access to sensitive and

personal information of our customers, clients, and employees. While we conduct background checks of our employees and these other individuals and limit access to systems and data, it is possible that one or more of these individuals may circumvent these controls, resulting in a security breach. In addition, we rely on third party vendors to host certain of our sensitive and personal information and data. While we conduct due diligence on these third party partners with respect to their security and business controls, we may not have the ability to effectively monitor or oversee the implementation of these control measures, and, in any event, individuals or third parties may be able to circumvent and/or exploit vulnerabilities that may exist in these security and business controls, resulting in a loss of sensitive and personal customer, client, or employee information and data.

Despite the measures we have taken and may in the future take to address and mitigate cybersecurity and technology risks, we cannot assure that our systems and networks will not be subject to breaches or interference. Any such event may result in operational disruptions as well as unauthorized access to or the disclosure or loss of our proprietary information or our customers' and clients' personal information, which in turn may result in legal claims, regulatory scrutiny and liability, reputational damage, the incurrence of costs to eliminate or mitigate further exposure, the loss of customers, clients, or advisors, or other damage to our business. While we maintain cyber liability insurance that provides both third-party liability and first-party liability coverages, this insurance is subject to exclusions and may not be sufficient to protect us against all losses. In addition, the trend toward broad consumer and general public notification of such incidents could exacerbate the harm to our business, financial condition, or results of operations. Even if we successfully protect our technology infrastructure and the confidentiality of sensitive data, we may incur significant expenses in connection with our responses to any such attacks as well as the adoption, implementation, and maintenance of appropriate security measures. We could also suffer harm to our business and reputation if attempted security breaches are publicized. We cannot be certain that advances in criminal capabilities, discovery of new vulnerabilities, attempts to exploit vulnerabilities in our systems, data thefts, physical system or network break-ins, inappropriate access, or other developments will not compromise or breach the technology or other security measures protecting the networks and systems used in connection with our businesses.

Our website and transaction management software, data center systems, or the systems of third-party co-location facilities and cloud service providers could fail or become unavailable or otherwise be inadequate, which could materially harm our reputation and result in a material loss of revenues and current or potential customers and clients.

Any system interruptions that result in the unavailability or unreliability of our websites, transaction processing systems, or network infrastructure could materially reduce our revenue and impair our ability to properly process transactions. We use both internally developed and third-party systems, including cloud computing and storage systems, for our online services and certain aspects of transaction processing. Some of our systems are relatively new and untested and thus may be subject to failure or unreliability. Any system unavailability or unreliability may cause unanticipated system disruptions, slower response times, degradation in customer satisfaction, additional expense, or delays in reporting accurate financial information.

Our data centers and cloud service could be susceptible to damage or disruption, which could have a material adverse effect on our business, financial condition, and financial results. Our Tax Preparation and Wealth Management businesses have disaster recovery centers but if their primary data centers fail and those disaster recovery centers do not fully restore the failed environments, our business will suffer. In particular, if such interruption occurs during the tax season, the revenue of our Tax Preparation business would be materially and adversely impacted.

Our systems and operations, and those of our third-party service providers, could be damaged or interrupted by fire, flood, earthquakes, other natural disasters, power loss, telecommunications failure, internet breakdown, break-in, human error, software bugs, hardware failures, malicious attacks, computer viruses, computer denial of service attacks, terrorist attacks, or other events beyond our control. Such damage or interruption may affect internal and external systems that we rely upon to provide our services, take and fulfill customer orders, handle customer service requests, and host other products and services. During the period in which services are unavailable, we will be unable or severely limited in our ability to generate revenues, and we may also be exposed to liability from those third parties to whom we provide services. We could face significant losses as a result of these events, and our business interruption insurance may not be adequate to compensate us for all potential losses.

A drop in our investment performance could materially and adversely affect our revenues and profitability.

Investment performance is a key competitive factor for our Wealth Management segment. Strong investment performance helps to increase client retention and generate sales of products and services. There can be no assurance as to how future investment performance will compare to our competitors, and historical performance is not indicative of future returns. Any drop or perceived drop in investment performance, on an absolute or relative basis, could cause a decline in sales of mutual funds and other investment products, an increase in redemptions and the termination of asset management relationships. These

impacts may reduce our aggregate amount of assets under management and reduce management fees. Poor investment performance could also adversely affect our ability to expand the distribution of our products through independent financial advisors.

Restrictions on or litigation regarding financial products may materially harm our financial results.

In our Tax Preparation business, we generate revenue from certain financial products related to our tax preparation software and services. These products include prepaid debit cards on which a tax filer may receive his or her tax refund and the ability of certain of our users to have the fees for our services deducted from their tax refund. Any regulation of these products by state or federal governments, or any competing products offered by state and federal tax collection agencies, could materially and adversely impact our revenue from these financial products. In addition, litigation brought by consumers or state or federal agencies relating to these products may result in additional restrictions on the offering of these products. To the extent that any such additional restrictions or legal claims restrict our ability to offer such products, our financial results may materially suffer.

Our Wealth Management business offers products sponsored by third parties, including but not limited mutual funds, insurance, annuities and alternative investments. These products are subject to complex regulations that change frequently. Although HD Vest has controls in place to facilitate compliance with such regulations, there can be no assurance that its interpretation of the regulations will be consistent with various regulators' interpretations, that its procedures will be viewed as adequate by regulatory examiners, or that the operating subsidiaries will be deemed to be in compliance with regulatory requirements in all material respects. If products sold by the firm were not to perform as anticipated due to market factors or otherwise, or if the product sponsor became insolvent or is otherwise unable to meet its obligations, this would likely result in material litigation and regulatory action against HD Vest relating to its sales of those products.

Registered investment advisors have fiduciary obligations that require us and our advisors to act in the best interests of our clients and to disclose any material conflicts of interest. We may face liabilities for actual or alleged breaches of legal duties to clients with respect to the suitability of the financial products we make available in our open architecture product platform or the investment advice of our financial advisors.

Unanticipated changes in income tax rates, deduction types, or taxation structure may materially and adversely affect our Tax Preparation business.

Changes in the way that state and federal governments structure their taxation regimes may materially and adversely affect our financial results. The introduction of a simplified or flattened taxation structure may make our services less necessary or attractive to individual filers. We also face risk from the possibility of increased complexity in taxation structures, which may encourage some of our customers to seek professional tax advice instead of using our software or services. In the event that such changes to tax structures cause us to lose market share, our results may materially suffer.

If our Tax Preparation business fails to process transactions effectively or fails to adequately protect against disputed or potential fraudulent activities, our revenue and earnings may be materially harmed.

Our Tax Preparation business processes a significant volume and dollar value of transactions on a daily basis, particularly during tax season. Due to the size and volume of transactions that we handle, effective processing systems and controls are essential to ensure that transactions are handled appropriately. Despite our efforts, it is possible that we may make errors or that fraudulent activity may affect our services. In addition to any direct damages and fines that may result from any such problems, which may be substantial, a loss of confidence in our controls may materially harm our business and damage our brand. The systems supporting our Tax Preparation business are comprised of multiple technology platforms, some of which are difficult to scale. If we are unable to effectively manage our systems and processes, we may be unable to process customer data in an accurate, reliable, and timely manner, which may materially harm our business.

The seasonality of our Tax Preparation business requires a precise development and release schedule and any delays or issues with accuracy or quality may damage our reputation and materially harm our future financial results.

Our tax preparation software and online service must be ready to launch in final form near the beginning of each calendar year to take advantage of the full tax season. We must update the code for our software and service on a precise schedule each year to account for annual changes in tax laws and regulations and ensure that the software and service are accurate. Delayed and unpredictable changes to federal and state tax laws and regulations can cause an already tight development cycle to become even more challenging. If we are unable to meet this precise schedule and we launch our software and service late, we risk losing customers to our competitors. If we cannot develop our software with a high degree of accuracy and quality, we risk errors in the tax returns that are generated. Such errors could result in loss of reputation, lower customer retention, or legal claims, fees, and payouts related to the warranty on our software and service.

Risk management policies and procedures for our Tax Preparation and Wealth Management business may not be fully effective in identifying or mitigating risk exposure in all market environments or against all types of risk, including employee and financial advisor misconduct.

We are subject to the risks of errors and misconduct by our employees and financial advisors, such as fraud, non-compliance with policies, recommending transactions that are not suitable, and improperly using or disclosing confidential information. Although we have internal controls in place, these issues are difficult to detect in advance and deter, and could materially harm our business, results of operations or financial condition. We are further subject to the risk of nonperformance or inadequate performance of contractual obligations by third-party vendors of products and services that are used in our businesses. Management of operational, legal and regulatory risks requires, among other things, policies and procedures to record properly and verify a large number of transactions and events, and these policies and procedures may not be fully effective in mitigating our risk exposure in all market environments or against all types of risk. Insurance and other traditional risk-shifting tools may be held by or available to us in order to manage certain exposures, but they are subject to terms such as deductibles, coinsurance, limits and policy exclusions, as well as the risk of counterparty denial of coverage, default or insolvency.

Increased government regulation of our business may harm our operating results.

We are subject to federal, state, and local laws and regulations that affect our activities, including, without limitation, areas of labor, advertising, tax, financial services, data privacy and security requirements, digital content, consumer protection, real estate, billing, promotions, quality of services, intellectual property ownership and infringement, anti-corruption, foreign exchange controls and cash repatriation restrictions, anti-competition, environmental, health, and safety. There have been significant new regulations and heightened focus by the government on many of these areas, as well as in areas such as insurance and healthcare (including, for example, the Affordable Care Act). As we complete our Strategic Transformation and expand our products and services and revise our business models, we may become subject to additional government regulation or increased regulatory scrutiny. Regulators may adopt new laws or regulations or their interpretation of existing laws or regulations may differ from ours as well as the laws of other jurisdictions in which we operate. These regulatory requirements could impose significant limitations, require changes to our business, require notification to customers, clients, or employees of a security breach, restrict our use of personal information, or cause changes in customer purchasing behavior that may make our business more costly, less efficient, or impossible to conduct, and may require us to modify our current or future products or services, which may materially harm our future financial results.

The tax preparation industry continues to receive heightened attention from federal and state governments. New legislation, regulation, public policy considerations, changes in the cybersecurity environment, litigation by the government or private entities, or new interpretations of existing laws may result in greater oversight of the tax preparation industry, restrict the types of products and services that we can offer or the prices we can charge, or otherwise cause us to change the way we operate our Tax Preparation business or offer our tax preparation products and services. We may not be able to respond quickly to such regulatory, legislative and other developments, and these changes may in turn increase our cost of doing business and limit our revenue opportunities. In addition, if our practices are not consistent with new interpretations of existing laws, we may become subject to lawsuits, penalties, and other liabilities that did not previously apply. We are also required to comply with a variety of state revenue agency standards in order to successfully operate our tax preparation and electronic filing services. Changes in state-imposed requirements by one or more of the states, including the required use of specific technologies or technology standards, may significantly increase the costs of providing those services to our customers and may prevent us from delivering a quality product to our customers in a timely manner and at an acceptable price.

Our Wealth Management business is subject to certain additional financial industry regulations and supervision, including by the SEC, FINRA, state securities and insurance regulators, and other regulatory authorities. Our failure to comply with the

laws, rules, and regulations promulgated by federal regulatory bodies and the regulatory authorities in each of the states and other jurisdictions in which we do business could result in the restriction of the ongoing conduct or growth, or even liquidation of, parts of our business and otherwise materially impact our financial condition, results of operations, and liquidity. These regulatory authorities continuously review legislative and regulatory initiatives and may adopt new or revised laws, regulations, or interpretations, and there can also be no assurance that other federal or state agencies will not attempt to further regulate our business. The Dodd-Frank Act, enacted into law in 2010, called for sweeping changes in the supervision and regulations of the wealth management industry. Regulators implementing the Dodd-Frank Act have adopted, proposed to adopt, and will in the future adopt regulations that we expect will materially impact the manner in which we will market HD Vest products and services, manage HD Vest operations, and interact with regulators.

In addition, the Department of Labor (***"DOL"***) has proposed regulations seeking to change the definition of who is a fiduciary under the Employee Retirement Income Security Act of 1974, as amended (***"ERISA"***), and how such advice must be provided to account holders in ERISA plans and individual retirement accounts (***"IRAs"***). These regulations are expected to focus on conflicts of interest related to recommendations made by financial advisors to clients holding qualified accounts and also on how financial advisors are able to solicit rollovers. IRAs make up a majority of HD Vest's assets under management and administration. We cannot predict whether or when the regulations may be finalized, or how any final regulations may differ from the previously proposed regulations. DOL recently sent the regulations to the Office of Management and Budget for review, which could mean final regulations are imminent. The final regulations may negatively impact how we receive fees, how we compensate our advisors, how we are able to retain advisors, and how we design our investment products and services for accounts covered by the rule, any of which could materially and adversely impact our results of operations.

Our ability to comply with all applicable laws, rules and regulations, and interpretations is largely dependent on our establishment and maintenance of compliance, audit, and reporting systems and procedures, as well as our ability to attract and retain qualified compliance, audit, and risk management personnel. While we have adopted systems, policies, and procedures reasonably designed to comply or facilitate compliance with all applicable laws, rules and regulations, and interpretations, these systems, policies, and procedures may not be fully effective. There can be no assurance that we will not be subject to investigations, claims, or other actions or proceedings by regulators or third-parties with respect to our past or future compliance with applicable laws, rules, and regulations, the outcome of which may have a material adverse effect on our financial condition and results of operations.

HD Vest distributes its products and services through financial advisors who affiliate with the firm as independent contractors. There can be no assurance that legislative, judicial, or regulatory (including tax) authorities will not introduce proposals or assert interpretations of existing rules and regulations that would change, or at least challenge, the classification of our financial advisors as independent contractors. Although we believe we have properly classified our advisors as independent contractors, the U.S. Internal Revenue Service or other U.S. federal or state authorities or similar authorities may determine that we have misclassified our advisors as independent contractors for employment tax or other purposes and, as a result, seek additional taxes from us or attempt to impose fines and penalties, which could have a material adverse effect on our business model, financial condition, and results of operations.

Our business depends on our strong reputation and the value of our brands, which could be negatively impacted by poor performance.

Developing and maintaining awareness of our brands is critical to achieving widespread acceptance of our existing and future products and services and is an important element in attracting new customers and clients. Adverse publicity (whether or not justified) relating to regulatory proceedings or other events or activities attributed to our businesses, our employees, our vendors, or our partners may tarnish our reputation and reduce the value of our brands. In addition, if we are unable to successfully integrate HD Vest or if we are unable to develop awareness of the HD Vest brand, our reputation could be damaged. Damage to our reputation and loss of brand equity may reduce demand for our products and services and have a material adverse effect on our future financial results. Such damage also would require additional resources to rebuild our reputation and restore the value of the brands.

If others claim that our services infringe their intellectual property rights, we may be forced to seek expensive licenses, reengineer our services, engage in expensive and time-consuming litigation, or stop marketing and licensing our services.

Companies and individuals with rights relating to the technology industry have frequently resorted to litigation regarding intellectual property rights. These parties have in the past made and may in the future make claims against us alleging infringement of patents, copyrights, trademarks, trade secrets, or other intellectual property or proprietary rights, or alleging unfair competition or violations of privacy or publicity rights. Responding to any such claims could be time-consuming, result

in costly litigation, divert management's attention, cause product or service release delays, or require removal or redesigning of our products or services, payment of damages for infringement, or entry into royalty or licensing agreements. Our technology, services, and products may not be able to withstand any third-party claims or rights against their use. In some cases, the ownership or scope of an entity's or person's rights is unclear. In addition, the ownership or scope of such rights may be altered by changes in the legal landscape, such as through developments in U.S. or international intellectual property laws or regulations or through court, agency, or regulatory board decisions. If a successful claim of infringement were made against us and we could not develop non-infringing technology or content, or license the infringed or similar technology or content, on a timely and cost-effective basis, our financial condition and results of operations could be materially and adversely affected.

We do not regularly conduct patent searches to determine whether the technology used in our products or services infringes patents held by third parties. Patent searches may not return every issued patent or patent application that may be deemed relevant to a particular product or service. It is therefore difficult to determine, with any level of certainty, whether a particular product or service may be construed as infringing a current or future U.S. or foreign patent.

We rely heavily on our technology and intellectual property, but we may be unable to adequately or cost-effectively protect or enforce our intellectual property rights, thereby weakening our competitive position and negatively impacting our business and financial results. We may have to litigate to enforce our intellectual property rights, which can be time consuming, expensive, and difficult to predict.

To protect our rights in our services and technology, we rely on a combination of copyright and trademark laws, patents, trade secrets, confidentiality agreements with employees and third parties, and protective contractual provisions. We also rely on laws pertaining to trademarks and domain names to protect the value of our corporate brands and reputation. Despite our efforts to protect our proprietary rights, unauthorized parties may copy aspects of our services or technology, obtain and use information, marks, or technology that we regard as proprietary, or otherwise violate or infringe our intellectual property rights. In addition, it is possible that others could independently develop substantially equivalent intellectual property. If we do not effectively protect our intellectual property, or if others independently develop substantially equivalent intellectual property, our competitive position could be materially weakened.

Effectively policing the unauthorized use of our services and technology is time-consuming and costly, and the steps taken by us may not prevent misappropriation of our technology or other proprietary assets. The efforts we have taken to protect our proprietary rights may not be sufficient or effective, and unauthorized parties may copy aspects of our services, use similar marks or domain names, or obtain and use information, marks, or technology that we regard as proprietary. In some cases, the ownership or scope of an entity's or person's rights is unclear and may also change over time, including through changes in U.S. or international intellectual property laws or regulations or through court, agency, or regulatory board decisions.

We may have to litigate to enforce our intellectual property rights, to protect our trade secrets, or to determine the validity and scope of others' proprietary rights, which are sometimes not clear or may change. Litigation can be time-consuming and expensive, and the outcome can be difficult to predict.

If we are unable to hire, retain, and motivate highly qualified employees, including our key employees, we may not be able to successfully manage our businesses.

Our future success depends on our ability to identify, attract, hire, retain, and motivate highly skilled management, technical, sales and marketing, and corporate development personnel, including personnel with experience and expertise in the wealth management, tax preparation, and technology industries to support our new strategic focus. Qualified personnel with experience relevant to our businesses are scarce, and competition to recruit them is intense. If we fail to successfully hire and retain a sufficient number of highly qualified employees, we may have difficulties in supporting or expanding our businesses. Realignments of resources, reductions in workforce, or other operational decisions have created and could continue to create an unstable work environment and may have a negative effect on our ability to hire, retain, and motivate employees.

As part of our announcement on October 14, 2015 with respect to the Strategic Transformation, we announced a leadership succession plan under which William J. Ruckelshaus will resign his position as President and Chief Executive Officer when a permanent successor has been identified. Following such announcement, our Board of Directors commenced and is currently engaged in a search process to identify, evaluate and select a new President and Chief Executive Officer to lead Blucora through the Strategic Transformation. Our business and operations are substantially dependent on the performance of our key employees. Changes of management or key employees may disrupt operations, which may materially and adversely affect our business and financial results or delay achievement of our business objectives. In addition, if we lose the services of one or more key employees and are unable to recruit and retain a suitable successor, we may not be able to successfully and

timely manage our business or achieve our business objectives. There can be no assurance that any retention program we initiate will be successful at retaining employees, including key employees.

We use stock options, restricted stock units, and other equity-based awards to recruit and retain senior level employees. With respect to those employees to whom we issue such equity-based awards, we face a significant challenge in retaining them if the value of equity-based awards in aggregate or individually is either not deemed by the employee to be substantial enough or deemed so substantial that the employee leaves after their equity-based awards vest. If our stock price does not increase significantly above the exercise prices of our options, we may need to issue new equity-based awards in order to motivate and retain our key employees. We may undertake or seek stockholder approval to undertake other equity-based programs to retain our employees, which may be viewed as dilutive to our stockholders or may increase our compensation costs. There can be no assurance that any such programs, if approved by stockholders, or any other incentive programs, would be successful in motivating and retaining our employees.

Restructuring and streamlining our business, including implementing reductions in workforce, discretionary spending, and other expense reductions, may materially harm our businesses.

We have in the past found and may in the future find it advisable to take measures to streamline operations and reduce expenses, including, without limitation, reducing our workforce or discontinuing products or businesses. For example, in connection with our Strategic Transformation (as described in the "Strategic Transformation" section in Part II Item 7 of this annual report), we have effected and will in the future effect significant reductions-in-force. Such measures may place significant strains on our management and employees. We may also incur liabilities from these measures, including liabilities from early termination or assignment of contracts, potential failure to meet obligations due to loss of employees or resources, and resulting litigation. Such effects from restructuring and streamlining could have a materially negative impact on our business, financial condition, and financial results.

We may seek to acquire companies or assets that complement our Wealth Management and Tax Preparation businesses, and our financial and operating results may materially suffer if we are unsuccessful in completing any such acquisitions on favorable terms.

We may seek to acquire companies or assets that complement our Wealth Management and Tax Preparation businesses. There can be no guarantee that any of the opportunities that we evaluate will result in the purchase by us of any business or asset being evaluated, or that, if acquired, we will be able to successfully integrate such acquisition.

If we are successful in our pursuit of any complementary acquisition opportunities, we intend to use available cash, debt and/or equity financing, and/or other capital or ownership structures designed to diversify our capital sources and attract a competitive cost of capital, all of which may change our leverage profile. There are a number of factors that impact our ability to succeed in acquiring the companies and assets we identify, including competition for these companies and assets, sometimes from larger or better-funded competitors. As a result, our success in completing acquisitions is not guaranteed. Our expectation is that, to the extent we are successful, any acquisitions will be additive to our businesses, taking into account potential benefits of operational synergies. However, these new business additions and acquisitions, if any, involve a number of risks and may not achieve our expectations, and, therefore, we could be materially and adversely affected by any such new business additions or acquisitions. There can be no assurance that the short or long-term value of any business or technology that we develop or acquire will be equal to the value of the cash and other consideration that we pay or expenses we incur.

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We incurred debt in connection with our acquisitions of Monoprice and HD Vest and may incur future debt related to other complementary acquisitions, which may materially and adversely affect our financial condition and future financial results.

In connection with our acquisition of Monoprice, that company incurred debt under a November 2013 credit facility, of which $25.0 million was outstanding as of December 31, 2015 . In connection with our acquisition of HD Vest, TaxAct and HD Vest incurred debt under a December 2015 credit facility, of which $400.0 million was outstanding as of December 31, 2015 . The Monoprice and TaxAct-HD Vest credit facilities are non-recourse debts. The Monoprice credit facility is guaranteed by Monoprice Holdings, Inc., and the TaxAct-HD Vest credit facility is guaranteed by TaxAct Holdings, Inc. and HD Vest Holdings, Inc., all of which are Blucora’s direct subsidiaries. These debts may materially and adversely affect our financial condition and future financial results by, among other things:

- increasing Monoprice's, TaxAct's, or HD Vest's vulnerability to downturns in their businesses, to competitive pressures, and to adverse economic and industry conditions;
- requiring the dedication of a portion of our expected cash from Monoprice's, TaxAct's, and HD Vest's operations to service the indebtedness, thereby reducing the amount of expected cash flow available for other purposes, including capital expenditures and complementary acquisitions;
- requiring cash infusions from Blucora to Monoprice, TaxAct, or HD Vest if any or all are unable to meet their payment or other obligations under the applicable credit facilities;
- increasing our interest payment obligations in the event that interest rates rise dramatically; and
- limiting our flexibility in planning for, or reacting to, changes in our businesses and our industries.

These credit facilities impose restrictions on Monoprice, TaxAct, and HD Vest, including restrictions on their ability to create liens on their assets and on our ability to incur indebtedness, and require Monoprice, TaxAct, and HD Vest to maintain compliance with specified financial ratios. Their ability to comply with these ratios may be affected by events beyond their control. In addition, these credit facilities include covenants, the breach of which may cause the outstanding indebtedness to be declared immediately due and payable. These debts, and our ability to repay them, may also negatively impact our ability to obtain additional financing in the future and may affect the terms of any such financing.

In addition, we or our subsidiaries may incur additional debt in the future to finance complementary acquisitions or for other purposes. Any additional debt may result in risks similar to those discussed above related to the Monoprice and TaxAct-HD Vest debts or in other risks specific to the credit agreements entered into for those debts.

We sold $201.25 million of Convertible Senior Notes in 2013, which may impact our financial results, result in the dilution of existing stockholders, and restrict our ability to take advantage of future opportunities.

In March 2013, we sold $201.25 million aggregate principal amount of 4.25% Convertible Senior Notes (the " ***Notes*** ") due 2019. The accounting for the Notes results in the recognition of interest expense significantly more than the stated interest rate of the Notes and may result in volatility to our financial results. The Notes may be settled in a combination of cash or shares of common stock, indicating that the Notes contain liability and equity components. Upon issuance of the Notes, we were required to establish a separate initial value for the conversion option, the equity component, and bifurcate this value from the value attributable to the debt component of the Notes. As a result, for accounting purposes, we were required to treat the Notes as having been issued with a debt discount to their principal amount. We are accreting the debt discount to interest expense ratably over the term of the Notes, which amounts to an effective interest rate in our financial results that exceeds the stated interest rate of the Notes. This will reduce our earnings and could adversely affect the price at which our common stock trades but will have no effect on the amount of cash interest paid to holders or on our cash flows.

Our intent is to settle conversions of the Notes with cash for the principal amount of the debt and shares of common stock for any related conversion premium. Shares associated with the conversion premium will be included in diluted earnings per share when the average stock price exceeds the conversion price of the Notes and could adversely affect our diluted earnings per share and the price at which our common stock trades.

The conditional conversion feature of the Notes, if triggered, and the requirement to repurchase the Notes upon a fundamental change, may adversely affect our financial condition and financial results. In the event the conditional conversion feature of the Notes is triggered, holders of the Notes will be entitled, at their option, to convert the Notes at any time during specified periods. If we undergo a fundamental change (as described in the applicable Indenture), subject to certain conditions, holders of the Notes may require us to repurchase all or part of their Notes for cash at a price equal to 100% of the principal amount of the Notes, plus accrued and unpaid interest.

The payment of the interest and the repayment of principal at maturity, conversion, or under a fundamental change will require the use of a substantial amount of our cash. If such cash is not available, we may be required to sell other assets or enter into alternate financing arrangements at terms that may or may not be desirable. The existence of the Notes and the obligations we incurred by issuing them may hinder our ability to take advantage of certain future opportunities, such as engaging in future debt or equity financing activities, which may in turn reduce or impair our ability to acquire new businesses or invest in our existing businesses.

Existing cash and cash equivalents, short-term investments, and cash generated from operations may not be sufficient to meet our anticipated cash needs for servicing debt, working capital, and capital expenditures.

Although we believe that existing cash and cash equivalents, short-term investments, and cash generated from operations will be sufficient to meet our anticipated cash needs for servicing debt, working capital, and capital expenditures for at least the next 12 months, the underlying levels of revenues and expenses that we project may not prove to be accurate. In March 2013, we sold $201.25 million aggregate principal amount of 4.25% Convertible Senior Notes due 2019. In addition, as of December 31, 2015 , Monoprice had $25.0 million outstanding under the credit facility entered into in November 2013, and HD Vest and TaxAct had $400.0 million outstanding under the credit facility entered into in December 2015. Servicing these debts will require the dedication of a portion of our expected cash flow from operations, thereby reducing the amount of our cash flow available for other purposes. In addition, our ability to make scheduled payments of the principal of, to pay interest on, or to refinance our indebtedness depends on our future performance, which is subject to economic, financial, competitive, and other factors beyond our control. Our businesses may not continue to generate cash flow from operations in the future sufficient to service our debt and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt, or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition and results at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations.

In addition, we may evaluate complementary acquisitions of businesses, products, or technologies from time to time. Any such transactions, if completed, may use a significant portion of our cash balances and marketable investments. If we are unable to liquidate our investments when we need liquidity for complementary acquisitions or for other business purposes, we may need to change or postpone such acquisitions or find alternative financing for them. We may seek additional funding through public or private financings, through sales of equity, or through other arrangements. Our ability to raise funds may be materially and adversely affected by a number of factors, including factors beyond our control, such as economic conditions in the markets in which we operate and increased uncertainty in the financial, capital, and credit markets. Adequate funds may not be available when needed or may not be available on favorable terms. If we raise additional funds by issuing equity securities, dilution to existing stockholders may result. If funding is insufficient at any time in the future, we may be unable, or delayed in our ability, to develop or enhance our products or services, take advantage of business opportunities, or respond to competitive pressures, any of which could materially harm our business.

RISKS RELATED TO OUR DISCONTINUED OPERATIONS

The current challenges in the Search and Content business may continue.

Our Search and Content business has faced significant challenges, beginning in early 2014 and continuing to the present. These challenges have resulted in significant declines in the financial results for this business, and if current trends cannot be reversed, the ability of this business to operate profitably will be significantly challenged in future periods. The continuing challenges include, among other things, limitations in InfoSpace's ability to monetize its mobile advertising offering as a result of changes in our agreement with Google, losses of distribution partners, and suspended or limited access to its services for certain distribution partners and our own sites due to regular monitoring of policy and compliance requirements. Although InfoSpace has addressed, to varying degrees, some of these challenges, it has been unable to address all of them, and additional issues have emerged, leading to continued and significant pressure on our Search and Content business. These challenges may be exacerbated by our announcement that we intend to divest the Search and Content business. If InfoSpace is unable to successfully address its current challenges, or if new issues emerge, it is likely to see a continued material adverse effect on its Search and Content business, and our efforts to divest the business at a price we deem adequate, or at all, may be impaired.

InfoSpace may be unable to compete successfully in the search market.

InfoSpace faces intense competition in the search market. Many of its competitors have substantially greater financial, technical, and marketing resources, larger customer bases, longer operating histories, more developed infrastructures, greater brand recognition, better access to vendors, or more established relationships in the industry than it has. Some of the companies that it competes with in the search market are currently Search Customers of InfoSpace, the loss of any of which could harm its business. In addition, it may face increasing competition for search market share from new search startups, mobile search providers, and social media sites and applications. If InfoSpace is unable to match or exceed its competitors' marketing reach and customer service experience, its business may not be successful and our ability to divest the business at a price we deem adequate, or at all, may be impaired.

In addition, InfoSpace's search business, and that of most of its distribution partners, is primarily based on searches conducted from browsers and other applications on desktop and laptop computers. As mobile phones, tablets, and other mobile devices increase in popularity, functionality, and usage, mobile searches will constitute an increasing percentage of the search market. Because InfoSpace's search business has been primarily focused on the desktop and laptop markets, it may have less experience and capability in offering and monetizing mobile search services than its competitors. In addition, because it relies on its Search Customers to provide it with search results and advertisements, its ability to innovate for mobile search and to expand in that market is dependent on the cooperation of, and collaboration with, those Search Customers. Under the terms of its current agreement with Google, which took effect on April 1, 2014 and was subsequently amended, InfoSpace's revenue share rate with respect to Google's mobile search advertisements is significantly lower than the revenue share rate for desktop advertisements. As a result, InfoSpace has increased its usage of its other current advertising solutions for mobile and/or found additional mobile advertising solutions and partners. Nonetheless, if InfoSpace cannot develop services and partners that allow it to sufficiently innovate for the mobile search market and if its mobile advertising solutions monetize at a significantly lower level than its desktop advertising solutions, its ability to participate in the market shift to mobile search will be impaired, which will likely have a material adverse effect on its search business, its financial results, and our ability to divest the business at a price we deem adequate, or at all.

Most of InfoSpace's search services revenue is attributable to Google, and the loss or termination of its relationship, or a payment dispute with, Google or any other significant Search Customer would materially harm its business and financial results.

If any existing or future significant Search Customer, such as Google, Yahoo!, or Bing, were to substantially reduce InfoSpace's revenue share rates or substantially reduce, eliminate, or increase the cost of the content it provides to InfoSpace or to its distribution partners, or if InfoSpace was to terminate or substantially reduce the extent of its relationship with any existing or future significant Search Customer, its business results could materially suffer and our ability to divest the business at a price we deem adequate, or at all, may be impaired.

Failure by InfoSpace or its search distribution partners to comply with the policies promulgated by Google, Yahoo!, and Bing may cause that Search Customer to temporarily or permanently suspend the use of its content or terminate its agreement with InfoSpace, or may require it to modify or terminate certain distribution relationships.

If InfoSpace or its search distribution partners fail to meet the policies promulgated by Google, Yahoo!, or Bing for the use of their content, it may not be able to continue to use their content or provide the content to such distribution partners. InfoSpace's agreements with Google, Yahoo!, and Bing give them the ability to suspend the use and the distribution of their content for non-compliance with their requirements and policies and, in the case of breaches of certain other provisions of their agreements, to terminate their agreements with InfoSpace immediately, regardless of whether such breaches could be cured. If InfoSpace's Search Customers were to suspend or terminate their agreements with us, it would not receive any revenue from any property of its or its distribution partner that is affected by the suspended content, and the loss of such revenue could materially harm its business, financial condition and financial results.

InfoSpace may be subject to liability for its use or distribution of information that it gathers or receives from third parties and indemnity protections or insurance coverage may be inadequate to cover such liability.

InfoSpace's search services obtain content and commerce information from third parties and link users, either directly through its own websites or indirectly through the web properties of its distribution partners, to third-party webpages and content in response to search queries and other requests. These services could expose InfoSpace to legal liability from claims relating to such third-party content and sites, the manner in which these services are distributed and displayed by InfoSpace or its distribution partners, or how the content provided by its Search Customers was obtained or provided by its Search Customers. This could subject InfoSpace to legal liability for such things as defamation, negligence, intellectual property infringement, violation of privacy or publicity rights, and product or service liability, among others. The laws or regulations of certain jurisdictions may also deem some content illegal, which also may expose it to liability. Regardless of the legal merits of any such claims, they could result in costly litigation, be time-consuming to defend, and divert management’s attention and resources. If there were a determination that InfoSpace had violated third-party rights or applicable law, it could incur substantial monetary liability, be required to enter into costly royalty or licensing arrangements (if available), or be required to change its business practices. InfoSpace is also subject to laws and regulations, both in the United States and abroad, regarding the collection and use of end user information and search-related data. If it does not comply with these laws and regulations, it may be exposed to legal liability, which could negatively impact its financial results and our ability to divest the business at a price we deem adequate, or at all, may be impaired.

Our efforts to transition our Search and Content business may not be successful.

As a result of the challenges discussed above, we have invested in initiatives to transition our Search and Content business to methods of monetization that can be more viable long term. These initiatives are targeted at business opportunities that we believe are promising, but the initiatives are still in their early stages, and there can be no assurance that we will identify viable alternate monetization methods, that we will successfully execute the changes necessary for this transition, that this transition will occur on a time line sufficient to offset declines in the business, that we will identify and attract partners needed for this transition, or that our Search Customers will permit the changes necessary for this transition. Our transition efforts may be set back by our announcement that we intend to divest our Search and Content business. If the current challenges continue and this transition is not successful, our Search and Content business will likely experience continued declines in its financial results, the ability of this business to operate profitably will be significantly challenged in future periods, and our ability to divest the business at a price we deem adequate, or at all, may be impaired.

The electronics and accessories market is highly competitive, and failure to effectively compete will adversely affect our financial results.

The electronics and accessories market in which our Monoprice business sells products is highly competitive. All of Monoprice's products face competition from many sellers of similar products, of which some sellers are much larger and more well-known than Monoprice. Monoprice attempts to offer products that provide similar quality and technology as those offered by its competitors, but at a lower price, and it attempts to do so with customer service and support that equals or exceeds that of many of its competitors. Many of its competitors have significant competitive advantages over it that may materially and adversely affect its ability to successfully compete on price, quality, technology, service, or support, including larger scale, advanced research facilities, extensive experience in the industry, proprietary intellectual property, greater financial resources, more advanced and extensive supply chain and distribution capacity, better service and support capability, and stronger relationships with suppliers and resellers. If Monoprice is unable to successfully compete on price, quality, technology, service, or support, it may not be able to attract and retain customers which would materially impact our financial results and our ability to divest the business at a price we deem adequate, or at all.

If Monoprice fails to accurately forecast customer demand, its inventory may either exceed demand or be insufficient to meet demand, which could materially harm our financial results.

Monoprice relies on its supplier network to manufacture its products, and as a result, it must forecast demand for its products well in advance of the sale of those products when placing orders from our suppliers. If its orders exceed eventual demand, it will have excess inventory, which will increase its inventory carrying costs, may increase risk that those products will become obsolete prior to sale, and may result in write-offs and/or significant price reductions of that inventory. If orders are insufficient to meet demand, Monoprice may not be able to adequately replace that inventory to meet all customer orders in a timely manner, resulting in back-orders, potential lost sales, and negative customer experiences. Significant failure to accurately forecast customer demand may thus materially impact our short-term financial results and our ability to divest the business at a price we deem adequate, or at all.

Monoprice depends on international third-party manufacturers to supply its electronics and accessories, and risks related to the manufacture and shipping of its products could materially and adversely affect its operations and financial results.

Monoprice outsources most of the manufacturing of its electronics and accessories to suppliers in Asia. It relies on the performance of these suppliers, and any problems with such performance could result in cost overruns, delayed deliveries, shortages, poor quality control, intellectual property issues (both theft of its intellectual property and infringement by its suppliers of the intellectual property of others), and compliance issues. Performance problems by its suppliers could result from many events, including the following: suppliers' willful or unintentional breach of supply agreements; their failure to comply with applicable laws and regulations; labor unrest at their facilities; civil unrest; natural or human disasters at production or shipping facilities; equipment or other facility failures; their inability to acquire sufficient quantities or qualities of components or raw materials at expected prices; infrastructure problems in their countries (e.g., power or transportation infrastructure problems); their bankruptcy, insolvency, or other financial problems; and requests or requirements by their other customers that may conflict with its requirements. In addition, because most of Monoprice's products are shipped from Asia, the company faces risks related to such shipping, including performance failures by its shipping partners and those of its suppliers, natural disasters, shipping equipment failure, and export and import regulation compliance issues. In late 2014 and early 2015, Monoprice's ability to maintain adequate inventory was impacted by slowdowns in offloading container ships resulting from

labor disputes. These slowdowns could recur, with the result that the impact on Monoprice's ability to maintain inventory could be impaired.

The performance of Monoprice's manufacturers, suppliers, and shippers is largely outside of its control. As the result of any performance failures, Monoprice may lose sales, or it may be required to adjust product designs, change production schedules, or develop suitable alternative contract manufacturers, suppliers, or shippers, which could result in delays in the delivery of products to its customers and/or increased costs. Any such delays, disruptions, or quality problems could adversely impact its ability to sell its products, harm its reputation, impair its customer relationships, and materially and adversely affect our financial condition and results of operations.

Monoprice's electronics and accessories could experience quality or safety defects that could result in damage to our reputation, require it to provide replacement products, or cause it to institute product recalls.

We expect that all of Monoprice's electronics and accessories will meet or exceed all applicable standards for quality and safety. Monoprice monitors and attempts to address any quality or safety issues during the design and manufacturing processes, but some problems or defects may not be identified until after introduction and shipment of products to consumers. Resolving such problems or defects may result in increased costs related to production and shipment of replacement parts or products, increased customer support requirements, and redesign and manufacture of products. If Monoprice is unable to fix defects in a timely manner or adequately address quality control issues, its relationships with its customers may be impaired, its reputation may suffer, and it may lose customers. If the problems or defects result in a significant safety hazard, Monoprice may be forced to institute a product recall, resulting in negative publicity, loss of reputation, administrative costs, distraction of personnel from regular duties, and recall, refund, and replacement expenses. In addition, such product recalls may result in disputes with suppliers and customers or lead to adverse proceedings such as arbitration or litigation, which can be costly and expensive and could have a negative impact on our ability to divest the business at a price we deem adequate, or at all.

Product liability claims or regulatory actions could materially and adversely affect Monoprice's financial results or harm its reputation.

As the seller of consumer products, Monoprice faces the possibility that there will be claims for losses or injuries caused by some of its products. In addition to the risk of substantial monetary judgments and penalties that could have a material effect on its financial condition and results of operations, product liability claims or regulatory actions could result in negative publicity that could harm its reputation in the marketplace. Monoprice also could be required to recall and possibly discontinue the sale of possible defective or unsafe products, which could result in adverse publicity and significant expenses. Although Monoprice maintains product liability insurance coverage, potential product liability claims may exceed the amount of coverage or could be excluded under the terms of the policy.

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Our stock price has been highly volatile and such volatility may continue.

The trading price of our common stock has been highly volatile. Between January 1, 2014 and December 31, 2015 , our closing stock price ranged from $9.55 to $28.73 . On February 16, 2016 , the closing price of our common stock was $6.61 . Our stock price could decline or fluctuate significantly in response to many factors, including the other risks discussed in this report and the following:

- actual or anticipated variations in quarterly and annual results of operations;
- impairment charges, changes in or loss of material contracts and relationships, dispositions or announcements of complementary acquisitions, or other business developments by us, our partners, or our competitors;
- conditions or trends in the tax preparation, wealth management, search and content services, or e-commerce markets;
- changes in general conditions in the U.S. and global economies or financial markets;
- announcements of technological innovations or new services by us or our competitors;
- changes in financial estimates or recommendations by securities analysts;
- disclosures of any accounting issues, such as restatements or material weaknesses in internal control over financial reporting;

- equity issuances resulting in the dilution of stockholders;
- the adoption of new regulations or accounting standards;
- adverse publicity (whether justified or not) with respect to our business; and
- announcements or publicity relating to litigation or governmental enforcement actions.

In addition, the equities market has experienced extreme price and volume fluctuations, and our stock has been particularly susceptible to such fluctuations. Often, class action litigation has been instituted against companies after periods of volatility in the price of such companies' stock. We have been defendants in such class action litigation in prior periods and could be subject to future litigation, potentially resulting in substantial cost and diversion of management's attention and resources.

Our financial results may fluctuate, which could cause our stock price to be volatile or decline.

Our financial results have varied on a quarterly basis and are likely to continue to fluctuate in the future. These fluctuations could cause our stock price to be volatile or decline. Many factors could cause our quarterly results to fluctuate materially, including but not limited to:

- the inability of any of our businesses to meet our expectations;
- the seasonality of our Tax Preparation business and the resulting large quarterly fluctuations in our revenues;
- the success or failure of our Strategic Transformation and our ability to implement those initiatives in a cost effective manner;
- the mix of revenues generated by existing businesses, discontinued operations or other businesses that we develop or acquire;
- gains or losses driven by fair value accounting;
- litigation expenses and settlement costs;
- misconduct by employees and HD Vest financial advisors, which is difficult to detect and deter;
- expenses incurred in finding, evaluating, negotiating, consummating, and integrating acquisitions;
- impairment or negative performance of the many different industries and counterparties we rely on and are exposed to;
- variable demand for our services, rapidly evolving technologies and markets, and consumer preferences;
- any restructuring charges we may incur;
- any economic downturn, which could result in lower acceptance rates on premium products and services offered by our Wealth Management business and impact the commissions and fee revenues of our financial advisory services;
- the level and mix of assets we have under management and administration, which are subject to fluctuation based on market conditions and client activity;
- new court rulings, or the adoption of new laws, rules, or regulations, that adversely affect our tax preparation products and services, or our wealth management offerings or that otherwise increase our potential liability or compliance costs;
- impairment in the value of long-lived assets or the value of acquired assets, including goodwill, technology, and acquired contracts and relationships; and
- the effect of changes in accounting principles or standards or in our accounting treatment of revenues or expenses.

For these reasons, among others, you should not rely on period-to-period comparisons of our financial results to forecast our future performance. Furthermore, our fluctuating operating results may fall below the expectations of securities analysts or investors and financial results volatility could make us less attractive to investors, either of which could cause the trading price of our stock to decline.

If there is a change in our ownership within the meaning of Section 382 of the Internal Revenue Code, our ability to use our net operating loss carryforwards (" *NOLs* ") may be severely limited or potentially eliminated.

As of December 31, 2015 , we had federal NOLs of $521.1 million that will expire primarily between 2020 and 2024 . If we were to have a change of ownership within the meaning of Section 382 of the Internal Revenue Code (defined as a cumulative change of 50 percentage points or more in the ownership positions of certain stockholders owning five percent or more of a company's common stock over a three-year rolling period), then under certain conditions, the amount of NOLs we could use in any one year could be limited. Our certificate of incorporation imposes certain limited transfer restrictions on our common stock that we expect will assist us in preventing a change of ownership and preserving our NOLs, but there can be no assurance that these restrictions will be sufficient. In addition, other restrictions on our ability to use the NOLs may be triggered by a merger or acquisition, depending on the structure of such a transaction. It is our intention to limit the potential impact of these restrictions, but there can be no guarantee that such efforts will be successful. If we are unable to use our NOLs before they expire, or if the use of this tax benefit is severely limited or eliminated, there could be a material reduction in the amount of after-tax income and cash flow from operations, and it could have an effect on our ability to engage in certain transactions.

Delaware law and our charter documents may impede or discourage a takeover, which could cause the market price of our shares to decline.

We are a Delaware corporation and the anti-takeover provisions of Delaware law impose various impediments to the ability of a third party to acquire us, even if a change of control would be beneficial to our existing stockholders. For example, Section 203 of the Delaware General Corporation Law may discourage, delay, or prevent a change in control by prohibiting us from engaging in a business combination with an interested stockholder for a period of three years after the person becomes an interested stockholder. In addition, our certificate of incorporation and bylaws contain provisions that may discourage, delay, or prevent a third party from acquiring us without the consent of our board of directors, even if doing so would be beneficial to our stockholders. Provisions of our charter documents that could have an anti-takeover effect include:

- the classification of our board of directors into three groups so that directors serve staggered three-year terms, which may make it difficult for a potential acquirer to gain control of our board of directors;
- the requirement for super majority approval by stockholders for certain business combinations;
- the ability of our board of directors to authorize the issuance of shares of undesignated preferred stock without a vote by stockholders;
- the ability of our board of directors to amend or repeal our bylaws;
- limitations on the removal of directors;
- limitations on stockholders' ability to call special stockholder meetings;
- advance notice requirements for nominating candidates for election to our board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings; and
- certain restrictions in our charter on transfers of our common stock designed to preserve our federal NOLs.

At our 2009 annual meeting, our stockholders approved an amendment to our certificate of incorporation that restricts any person or entity from attempting to transfer our stock, without prior permission from the Board of Directors, to the extent that such transfer would (i) create or result in an individual or entity becoming a five-percent stockholder of our stock, or (ii) increase the stock ownership percentage of any existing five-percent stockholder. This amendment provides that any transfer that violates its provisions shall be null and void and would require the purported transferee to, upon our demand, transfer the shares that exceed the five percent limit to an agent designated by us for the purpose of conducting a sale of such excess shares. This provision in our certificate of incorporation may make the acquisition of Blucora more expensive to the acquirer and could significantly delay, discourage, or prevent third parties from acquiring Blucora without the approval of our board of directors.

ITEM 1B. Unresolved Staff Comments

None.

ITEM 2. Properties

All of our facilities are leased. We believe our properties are suitable and adequate for our present and anticipated near-term needs.

Continuing operations: Our principal corporate office is located in Bellevue, Washington. The headquarters and data center facility for our HD Vest business are in Irving, Texas, and we have a backup data center for our HD Vest business in Elk Grove, Illinois, along with multiple disaster recovery data center locations across the country through a third party vendor. The headquarters and data center facility for our TaxAct business are in Cedar Rapids, Iowa, and we have a disaster recovery data center for our TaxAct business in Waukee, Iowa.

Discontinued operations: The primary operations for our InfoSpace business are located in Bellevue, Washington, with the exception of the HSW operations, which are located in Atlanta, Georgia. The headquarters and distribution facility for our E-Commerce business are in Rancho Cucamonga, California, with an additional distribution facility located in Hebron, Kentucky.

ITEM 3. Legal Proceedings

See " Note 9: Commitments and Contingencies " of the Notes to Consolidated Financial Statements in Part II Item 8 of this report for information regarding legal proceedings.

ITEM 4. Mine Safety Disclosures

None.

PART II

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

Market for Our Common Stock

Our common stock trades on the NASDAQ Global Select Market under the symbol "BCOR." The following table sets forth, for the periods indicated, the high and low sales prices for our common stock as reported by the NASDAQ Global Select Market.

	High	Low
Year ended December 31, 2015		
First Quarter	$ 15.04	$ 12.88
Second Quarter	$ 16.60	$ 13.65
Third Quarter	$ 16.20	$ 13.14
Fourth Quarter	$ 14.81	$ 9.55
Year ended December 31, 2014		
First Quarter	$ 28.73	$ 19.11
Second Quarter	$ 19.85	$ 17.07
Third Quarter	$ 18.96	$ 15.24
Fourth Quarter	$ 17.04	$ 13.12

On February 16, 2016 , the last reported sale price for our common stock on the NASDAQ Global Select Market was $6.61 per share.

Holders

As of February 16, 2016 , there were 413 holders of record of our common stock. A substantially greater number of holders are beneficial owners whose shares are held of record by banks, brokers, and other financial institutions.

Dividends

There were no dividends paid in 2015 and 2014 .

Share Repurchases

See " Note 10: Stockholders' Equity " of the Notes to Consolidated Financial Statements in Part II Item 8 of this report for additional information regarding the Company's stock repurchase program. Share repurchase activity during the fourth quarter 2015 was as follows (in thousands, except per share data):

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet be Purchased under the Plans or Programs
October 1-31, 2015	—	$ —	—	$ 29,404
November 1-30, 2015	10	$ 10.25	10	$ 29,299
December 1-31, 2015	53	$ 10.58	53	$ 28,739
Total	63	$ 10.52	63	

ITEM 6. Selected Financial Data

The following data are derived from our audited consolidated financial statements and should be read along with "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II Item 7, our consolidated financial statements and notes in Part II Item 8, and other financial information included elsewhere in this report.

		Years ended December 31,				
		2015	2014	2013	2012	2011
Consolidated Statements of Operations Data:		(In thousands, except per share data)				
Revenue	(1) (2)	$ 117,708	$ 103,719	$ 91,213	$ 62,105	$ —
Operating income (loss)	(1) (2)	(4,807)	4,603	(3,478)	(13,138)	(17,190)
Other income (loss), net	(1)	(12,542)	(13,489)	(29,568)	(6,630)	1,780
Loss from continuing operations before income taxes		(17,349)	(8,886)	(33,046)	(19,768)	(15,410)
Income tax benefit	(1) (3)	4,623	3,342	7,385	5,184	24,035
Income (loss) from continuing operations		(12,726)	(5,544)	(25,661)	(14,584)	8,625
Discontinued operations, net of income taxes	(1) (5)	(27,348)	(30,003)	50,060	37,110	12,969
Net income (loss)		$ (40,074)	$ (35,547)	$ 24,399	$ 22,526	$ 21,594
Net income (loss) per share - basic:						
Continuing operations		$ (0.31)	$ (0.13)	$ (0.62)	$ (0.36)	$ 0.23
Discontinued operations		(0.67)	(0.73)	1.21	0.92	0.34
Basic net income (loss) per share		$ (0.98)	$ (0.86)	$ 0.59	$ 0.56	$ 0.57
Weighted average shares outstanding, basic		40,959	41,396	41,201	40,279	37,954
Net income (loss) per share - diluted:						
Continuing operations		$ (0.31)	$ (0.13)	$ (0.62)	$ (0.36)	$ 0.22
Discontinued operations		(0.67)	(0.73)	1.21	0.92	0.34
Diluted net income (loss) per share		$ (0.98)	$ (0.86)	$ 0.59	$ 0.56	$ 0.56
Weighted average shares outstanding, diluted		40,959	41,396	41,201	40,279	38,621
Consolidated Balance Sheet Data (4) *:*						
Cash, cash equivalents, and investments		$ 66,774	$ 293,588	$ 323,429	$ 162,295	$ 293,551
Working capital	(5) (6) (7)	174,571	299,431	140,100	142,311	282,102
Total assets		1,299,548	865,775	969,677	581,699	394,809
Total long-term liabilities	(5) (6) (7) (8)	656,122	311,692	171,268	98,945	816
Total stockholders' equity		462,284	479,025	514,070	415,450	355,105

(1) For a discussion of activity in 2013 through 2015 , see "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II Item 7 of this report.

(2) On January 31, 2012, we acquired TaxAct.

(3) In 2011, we recorded a reversal of $18.9 million of the valuation allowance related to our deferred tax assets.

(4) On December 31, 2015 , we acquired HD Vest. See " Note 3: Business Combinations " of the Notes to Consolidated Financial Statements in Part II Item 8 of this report.

(5) On October 14, 2015, we announced plans to divest the Search and Content and E-Commerce businesses. Accordingly, the operating results of these businesses have been presented as discontinued operations for all periods presented, and the related balance sheet data have been classified in their entirety within current assets and current liabilities as of December 31, 2015 but classified within current and long-term assets and liabilities, as appropriate, for prior periods. In addition, we completed the sale of Mercantila on June 22, 2011. The operating results of this business have been presented as discontinued operations for 2011.

(6) During 2015 and 2014, the Notes were classified as a long-term liability with an outstanding balance, net of discount and issuance costs, of $185.9 million and $181.1 million , respectively. The Notes were classified as a current liability in 2013. See " Note 8: Debt " of the Notes to Consolidated Financial Statements in Part II Item 8 of this report.

(7) We had the following debt activity. See " Note 4: Discontinued Operations " and " Note 8: Debt " of the Notes to Consolidated Financial Statements in Part II Item 8 of this report.

- In 2015, TaxAct and HD Vest entered into a credit facility agreement, which had an outstanding balance, net of any discount and issuance costs and including any short-term portion, of $379.1 million as of December 31, 2015 .
- In 2013, Monoprice entered into a credit facility agreement, and TaxAct entered into a new credit facility agreement (to replace the one entered into in 2012). These arrangements had total outstanding balances, net of any discounts and including any short-term portions, of $25.0 million and nil , respectively, as of December 31, 2015 , $41.8 million and $51.9 million , respectively, as of December 31, 2014 , and $49.7 million and $71.4 million , respectively, as of December 31, 2013 . The TaxAct credit facility was closed in 2015.
- During 2012, TaxAct entered into a credit facility agreement, under which $73.9 million, net of discount and including the short-term portion, was outstanding as of December 31, 2012.

(8) During 2013, the Monoprice acquisition resulted in a $27.7 million deferred tax liability related to intangible assets.

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

You should read the following discussion and analysis in conjunction with the Selected Financial Data and our consolidated financial statements and notes thereto included elsewhere in this report.

Introduction

Blucora operates two primary businesses: a Wealth Management business and an online Tax Preparation business. The Wealth Management business consists of the operations of HD Vest, which we acquired on December 31, 2015 , and, accordingly, has no operating activities in Blucora's 2015 results of operations. HD Vest will be included in Blucora's results of operations beginning on January 1, 2016. HD Vest provides wealth management solutions for financial advisors. The Tax Preparation business consists of the operations of TaxAct and provides digital tax preparation solutions for consumers, small business owners, and tax professionals.

Blucora also operates an internet Search and Content business and an E-Commerce business. The Search and Content business, InfoSpace, provides search services to users of our owned and operated and distribution partners' web properties, as well as online content through HSW. The E-Commerce business consists of the operations of Monoprice and sells self-branded electronics and accessories to both consumers and businesses.

Strategic Transformation

On October 14, 2015, we announced our plans to focus on the technology-enabled financial solutions market, which we refer to as the "Strategic Transformation." The Strategic Transformation consists of the acquisition of HD Vest, which closed on December 31, 2015 , and our intention to divest our Search and Content and E-Commerce businesses in the first half of 2016. The transformation will result in fewer support requirements and, therefore, reduced corporate operating expenses. We also expect to shift our capital allocation priority in the near-term to pay down debt, which includes using at least 50% of the net divestiture proceeds to pay down the new TaxAct - HD Vest 2015 credit facility per the debt agreement. The elements of our Strategic Transformation are described in more detail below. For a discussion of the associated risks, see the section in our Risk Factors (Part I Item 1A. of this report) under the heading "Risks Associated With our Strategic Transformation."

Acquisition: On December 31, 2015 , we acquired HD Vest for $611.9 million , including cash acquired and subject to a final working capital adjustment in the first quarter of 2016. HD Vest provides wealth management solutions for financial advisors and is expected to be synergistic with TaxAct as a result of cross-selling opportunities and an expanded addressable market for both HD Vest and TaxAct. The acquisition was funded by a combination of cash on hand and the new TaxAct - HD Vest 2015 credit facility, under which we borrowed $400.0 million . During 2015, we incurred transaction costs of $11.0 million .

See " Note 3: Business Combinations " and " Note 8: Debt " of the Notes to Consolidated Financial Statements in Part II Item 8 of this report for additional information on the HD Vest acquisition and the new credit facility, respectively.

Business divestitures and chief executive officer departure: On October 14, 2015, we announced plans to divest the Search and Content and E-Commerce businesses. Accordingly, our financial condition, results of operations, and cash flows reflect the Search and Content and E-Commerce businesses as discontinued operations for all periods presented. Unless otherwise specified, disclosures in "Management's Discussion and Analysis of Financial Condition and Results of Operations" reflect continuing operations. We expect to incur employee-related business exit costs of approximately $3.0 million , with the majority of these costs recorded in discontinued operations in the fourth quarter of 2015 and in the first quarter of 2016. Some of these costs are contingent or are accelerated upon the sale of the Search and Content and E-Commerce businesses and will

be recorded or adjusted, as appropriate, at the time of sale. See " Note 4: Discontinued Operations " of the Notes to Consolidated Financial Statements in Part II Item 8 of this report for additional information on discontinued operations.

We also announced the upcoming departure of our chief executive officer once a permanent successor has been identified. We incurred $1.8 million of separation-related costs, most of which were pursuant to the chief executive officer's employment agreement and are to be paid within 60 days of his last day of employment.

Our Continuing Businesses

Wealth Management

The HD Vest business provides wealth management solutions for financial advisors. Specifically, HD Vest provides an integrated platform of brokerage and investment advisory services to assist in making each financial advisor a financial service center for his/her clients. HD Vest generates revenue primarily through commissions, quarterly investment advisory fees based on assets under management, and other fees.

HD Vest was founded to help tax and accounting professionals integrate financial services into their practices. The company recruits independent tax professionals with established tax practices and offers specialized training and support, which allows them to join the HD Vest platform as independent financial advisors. HD Vest's specialist model provides an open-architecture investment platform and technology tools to help financial advisors identify investment opportunities for their clients, while the long-standing tax advisory relationships provide a large client base of possible investment clients. This results in an experienced and stable network of financial advisors, who have multiple revenue-generating options to diversify their earnings sources, thereby eliminating the need for sales quotas.

Our Wealth Management business is subject to certain additional financial industry regulations and supervision, including by the SEC, FINRA, state securities and insurance regulators, and other regulatory authorities. For additional information regarding the potential impact of governmental regulation on our operations and results, see the Risk Factor " Increased government regulation of our business may harm our operating results. " in Part I Item 1A of this report.

Tax Preparation

Our TaxAct business provides digital tax preparation solutions for consumers, small business owners, and tax professionals. TaxAct generates revenue primarily through its online service at www.TaxAct.com.

We had four product offerings for consumers for tax year 2014: a free federal edition that handled simple and complex returns; the free federal edition plus a paid state edition; a "deluxe" product offering that contained all of the features of the free federal edition plus taxpayer phone support, import capabilities, return preparation assistance tools, and enhanced reporting; and an "ultimate" product offering that contained all of the deluxe offering features plus the ability to file a state return. We also had a small business product offering for small business owners. TaxAct offers its products with a price lock guarantee, whereby the price at the start of the tax return filing process holds until the return is filed, rather than pricing the product at the time that the tax return is filed. In addition to these core offerings, TaxAct also offers ancillary services such as refund payment transfer, data archive services, audit defense, stored value cards, and other add-on services.

TaxAct’s professional tax preparer software allows professional tax preparers to file individual and business returns for their clients. TaxAct offers flexible pricing and packaging options that help tax professionals save money by paying only for what they need.

Acquisitions

On December 31, 2015 , we acquired HD Vest, as described further under "Strategic Transformation" above. On July 2, 2015 , TaxAct acquired SimpleTax, a provider of online tax preparation services for individuals in Canada through its website www.simpletax.ca, for C$2.4 million (with C$ indicating Canadian dollars and amounting to approximately $1.9 million based on the acquisition-date exchange rate) in cash and additional consideration of up to C$4.6 million ($3.7 million) that is contingent upon product availability and revenue performance over a three-year period. SimpleTax is included in our financial results beginning on July 2, 2015 . In addition, on October 4, 2013 , TaxAct acquired Balance Financial, a provider of web and mobile-based financial management software through its website www.balancefinancial.com.

Seasonality

Our Tax Preparation segment is highly seasonal, with a significant portion of its annual revenue earned in the first four months of our fiscal year. During the third and fourth quarters, the Tax Preparation segment typically reports losses because revenue from the segment is minimal while core operating expenses continue at relatively consistent levels.

Comparability

We reclassified certain amounts related to discontinued operations for all periods presented, including quarterly periods within the years ended December 31, 2015 and 2014, from the amounts previously reported in the annual reports on Form 10-K and quarterly reports on Form 10-Q for those periods. See " Note 4: Discontinued Operations " of the Notes to Consolidated Financial Statements in Part II Item 8 of this report for additional information.

RESULTS OF OPERATIONS

Summary

(In thousands, except percentages)	Years ended December 31,				
	2015	Percentage Change	2014	Percentage Change	2013
Revenue	$ 117,708	13 %	$ 103,719	14 %	$ 91,213
Operating income (loss)	$ (4,807)	(204)%	$ 4,603	(232)%	$ (3,478)

Year ended December 31, 2015 compared with year ended December 31, 2014

Revenue increase d approximately $14.0 million due to an increase in revenue related to our Tax Preparation business.

Operating income decrease d approximately $9.4 million , consisting of the $14.0 million increase in revenue and offset by a $23.4 million increase in operating expenses. Key changes in operating expenses were:

- $6.7 million increase in the Tax Preparation segment’s operating expenses, primarily due to higher personnel expenses resulting from increased average headcount, higher spending on marketing campaigns for the current tax season, and, to a lesser extent, higher data center costs related to software support and maintenance fees.

- $16.7 million increase in corporate-level expense activity, primarily due to higher professional services fees, mainly from transaction costs related to the HD Vest acquisition, and higher personnel expenses, mainly due to increased average headcount to support operations and separation-related costs in connection with the upcoming departure of our chief executive officer. As part of the Strategic Transformation, we announced the upcoming departure of our chief executive officer once a permanent successor has been identified.

Segment results are discussed in the next section.

Year ended December 31, 2014 compared with year ended December 31, 2013

Revenue increase d approximately $12.5 million due to an increase in revenue related to our Tax Preparation business.

Operating income increase d approximately $8.1 million , consisting of the $12.5 million increase in revenue and offset by a $4.4 million increase in operating expenses. Key changes in operating expenses were:

- $3.4 million increase in the Tax Preparation segment’s operating expenses, primarily due to higher personnel expenses resulting from increased average headcount and, to a lesser extent, higher spending on marketing campaigns for the related tax season.

- $1.0 million increase in corporate-level expense activity, primarily due to higher corporate business insurance expenses mainly related to the timing of policy premiums in connection with our acquisitions, offset by lower net personnel expenses. Personnel expenses were impacted by decreased bonus amounts consistent with company performance in 2014, offset by increased average headcount to support operations and increased employee separation costs mainly related to leadership changes.

Segment results are discussed in the next section.

SEGMENT REVENUE/OPERATING INCOME

The revenue and operating income amounts in this section are presented on a basis consistent with accounting principles generally accepted in the U.S. (" ***GAAP*** ") and include certain reconciling items attributable to the segments. Segment information appearing in " Note 12: Segment Information " of the Notes to Consolidated Financial Statements in Part II Item 8 of this report is presented on a basis consistent with our current internal management financial reporting. We do not allocate certain general and administrative costs (including personnel and overhead costs), stock-based compensation, depreciation, amortization of acquired intangible assets, other loss, net, and income taxes to segment operating results. We analyzed these separately.

Following the acquisition of HD Vest and the discontinued operations treatment of Search and Content and E-Commerce, we determined that we have two reportable segments: Wealth Management and Tax Preparation. Since the acquisition of HD Vest closed on December 31, 2015 , it has no operating activities in Blucora's 2015 results of operations.

Tax Preparation

(In thousands, except percentages)	Years ended December 31,				
	2015	Percentage Change	2014	Percentage Change	2013
Revenue	$ 117,708	13%	$ 103,719	14%	$ 91,213
Operating income	$ 56,984	15%	$ 49,696	22%	$ 40,599
Segment margin	48%		48%		45%

Our ability to generate tax preparation revenue largely is driven by our ability to effectively market our tax preparation software and online services (thereby acquiring new users and retaining existing users) and our ability to sell other offerings and ancillary services to consumers and small business owners. We also generate revenue through the professional tax preparer software that we sell to professional tax preparers who use it to prepare and file individual and business returns for their clients. Revenue from the professional tax preparation software is derived in two ways: from per-unit licensing fees for the software and from amounts that we charge to e-file through the software.

We measure our consumer tax preparation customers using the number of accepted federal tax e-files made through our software and services. We consider growth in the number of e-files to be the most important non-financial metric in measuring the performance of the Tax Preparation business. E-file metrics were as follows:

(In thousands, except percentages)	Years ended December 31,				
	2015	Percentage Change	2014	Percentage Change	2013
Online e-files	5,235	(1)%	5,262	4 %	5,037
Desktop e-files	273	6 %	258	(9)%	282
Sub-total e-files	5,508	— %	5,520	4 %	5,319
Free File Alliance e-files [1]	181	(18)%	222	43 %	155
Total e-files	5,689	(1)%	5,742	5 %	5,474

(1) Free File Alliance e-files are provided as part of an IRS partnership that provides free electronic tax filing services to taxpayers meeting certain income-based guidelines.

Year ended December 31, 2015 compared with year ended December 31, 2014

Tax Preparation revenue increase d approximately $14.0 million primarily due to growth in revenue earned from online consumer users, increased sales of ancillary services (mostly related to bank services), and increased sales of our professional tax preparer software. Online consumer revenue grew, despite a slight decrease in e-files, due to growth in average revenue per user, primarily resulting from pricing actions and their related timing when compared to the prior year. Revenue derived from professional tax preparers also contributed to the increase , with an increase in the number of professional preparer units sold and growth in average revenue per user.

Tax Preparation operating income increase d approximately $7.3 million , consisting of the $14.0 million increase in revenue and offset by an increase of $6.7 million in operating expenses. The increase in Tax Preparation segment operating expenses primarily was due to an increase in personnel expenses resulting from higher average headcount supporting all

functions, increased spending on marketing campaigns for the current tax season, and, to a lesser extent, increased data center costs related to software support and maintenance fees.

Year ended December 31, 2014 compared with year ended December 31, 2013

Tax Preparation revenue increase d approximately $12.5 million primarily due to a 4% increase in consumer e-files, growth in average revenue per user, increased sales of bank services in the current year, and increasing payments over the past couple years related to data archive services that are recognized as revenue over the related contractual term. Revenue derived from professional tax preparers also contributed to the increase, with a 12% increase in preparer e-files coupled with an increase in the number of professional preparer units sold.

Tax Preparation operating income increase d approximately $9.1 million , consisting of the $12.5 million increase in revenue and offset by an increase of $3.4 million in operating expenses. The increase in Tax Preparation segment operating expenses primarily was due to an increase in personnel expenses resulting from higher average headcount supporting all functions and, to a lesser extent, increased spending on marketing campaigns for the related tax season.

Corporate-Level Activity

(In thousands)	Years ended December 31,				
	2015	Change	2014	Change	2013
Operating expenses	$ 30,507	$ 16,272	$ 14,235	$ 630	$ 13,605
Stock-based compensation	8,694	0	8,694	195	8,499
Depreciation	2,287	315	1,972	141	1,831
Amortization of acquired intangible assets	20,303	111	20,192	50	20,142
Total corporate-level activity	$ 61,791	$ 16,698	$ 45,093	$ 1,016	$ 44,077

Certain corporate-level activity is not allocated to our segments, including certain general and administrative costs (including personnel and overhead costs), stock-based compensation, depreciation, and amortization of acquired intangible assets. For further detail, refer to segment information appearing in " Note 12: Segment Information " of the Notes to Consolidated Financial Statements in Part II Item 8 of this report.

Year ended December 31, 2015 compared with year ended December 31, 2014

Operating expenses included in corporate-level activity increase d primarily due to $11.0 million of transaction costs related to the HD Vest acquisition and a $4.2 million increase in personnel expenses, mainly from higher average headcount to support operations and $1.8 million of separation-related costs in connection with the upcoming departure of our chief executive officer.

Stock-based compensation was unchanged but consisted of the following--a net increase in stock award grants, offset by stock-based compensation on stock options that vested upon the completion of the HSW acquisition in the second quarter of 2014. The Company granted stock options to certain Blucora employees who performed acquisition-related services. The vesting of such options were predicated on completing “qualified acquisitions” under the terms of the options. The completion of the HSW acquisition constituted a qualified acquisition.

Depreciation increased primarily due to depreciation expense on fixed assets attributable to TaxAct.

Amortization of acquired intangible assets was comparable to the prior period.

Year ended December 31, 2014 compared with year ended December 31, 2013

Operating expenses included in corporate-level activity increase d primarily due to a $0.5 million increase in corporate business insurance expenses mainly related to the timing of policy premiums in connection with our acquisitions, offset by a $0.1 million net decrease in personnel expenses. The net decrease in personnel expenses consisted of lower bonus amounts consistent with company performance in 2014, offset by higher average headcount to support operations and higher employee separation costs mainly related to leadership changes.

Stock-based compensation, depreciation, and amortization of acquired intangible assets were comparable to the prior period.

OPERATING EXPENSES

Cost of Revenue

(In thousands, except percentages)	Years ended December 31,				
	2015	Change	2014	Change	2013
Services cost of revenue	$ 6,167	$ 287	$ 5,880	$ (664)	$ 6,544
Amortization of acquired technology	7,546	96	7,450	—	7,450
Total cost of revenue	$ 13,713	$ 383	$ 13,330	$ (664)	$ 13,994
Percentage of revenue	12%		13%		15%

We record the cost of revenue for sales of services when the related revenue is recognized. Services cost of revenue consists of costs related to our Tax Preparation business, which include royalties, bank product services fees, and costs associated with the operation of its data centers. Data center costs include personnel expenses (salaries, stock-based compensation, benefits, and other employee-related costs), software support and maintenance, bandwidth and hosting costs, and depreciation. Cost of revenue also includes the amortization of acquired technology.

Year ended December 31, 2015 compared with year ended December 31, 2014

Services cost of revenue increased primarily due to higher data center costs related to software support and maintenance fees.

Amortization of acquired technology was comparable to the prior period.

Year ended December 31, 2014 compared with year ended December 31, 2013

Services cost of revenue decreased primarily due to lower data center operating costs and lower bank product service fees.

Amortization of acquired technology was comparable to the prior period.

Engineering and Technology

(In thousands, except percentages)	Years ended December 31,				
	2015	Change	2014	Change	2013
Engineering and technology	$ 5,107	$ 1,349	$ 3,758	$ 509	$ 3,249
Percentage of revenue	4%		4%		4%

Engineering and technology expenses are associated with the research, development, support, and ongoing enhancements of our offerings, which include personnel expenses (salaries, stock-based compensation, benefits, and other employee-related costs), the cost of temporary help and contractors to augment our staffing, software support and maintenance, and professional services fees.

Year ended December 31, 2015 compared with year ended December 31, 2014

Engineering and technology expenses increased primarily due to a $1.0 million increase in personnel expenses, primarily due to higher average headcount in our Tax Preparation business.

Year ended December 31, 2014 compared with year ended December 31, 2013

Engineering and technology expenses increased primarily due to a $0.4 million increase in personnel expenses, primarily due to higher average headcount in our Tax Preparation business.

Sales and Marketing

(In thousands, except percentages)	Years ended December 31,				
	2015	Change	2014	Change	2013
Sales and marketing	$ 45,854	$ 3,183	$ 42,671	$ 2,499	$ 40,172
Percentage of revenue	39%		41%		44%

Sales and marketing expenses consist principally of marketing expenses associated with our TaxAct business (which include television, radio, online, text, email, and sponsorship channels) and personnel expenses (salaries, stock-based compensation, benefits, and other employee-related costs) for personnel engaged in marketing and selling activities.

Year ended December 31, 2015 compared with year ended December 31, 2014

Sales and marketing expenses increased primarily due to a $2.0 million increase in marketing expenses and a $0.8 million increase in personnel expenses. The increase in marketing expenses was driven by increased marketing campaign activity for the current tax season in our Tax Preparation business. Personnel expenses increased primarily due to higher average headcount in our Tax Preparation business.

Year ended December 31, 2014 compared with year ended December 31, 2013

Sales and marketing expenses increased primarily due to a $1.4 million increase in personnel expenses and a $0.5 million increase in marketing expenses. Personnel expenses increased primarily due to higher average headcount in our Tax Preparation business. The increase in marketing expenses was driven by increased marketing campaign activity for the related tax season in our Tax Preparation business.

General and Administrative

(In thousands, except percentages)	Years ended December 31,				
	2015	Change	2014	Change	2013
General and administrative	$ 43,563	$ 18,248	$ 25,315	$ 1,969	$ 23,346
Percentage of revenue	37%		24%		26%

General and administrative (“ ***G&A*** ”) expenses consist primarily of personnel expenses (salaries, stock-based compensation, benefits, and other employee-related costs), the cost of temporary help and contractors to augment our staffing, professional services fees (which include legal, audit, and tax fees), general business development and management expenses, occupancy and general office expenses, business taxes, and insurance expenses.

Year ended December 31, 2015 compared with year ended December 31, 2014

G&A expenses increased primarily due to $11.0 million in transaction costs related to the HD Vest acquisition and a $6.0 million increase in personnel expenses, resulting from higher average headcount to support operations and $1.8 million of separation-related costs in connection with the upcoming departure of our chief executive officer.

Year ended December 31, 2014 compared with year ended December 31, 2013

G&A expenses increased primarily due to a $1.0 million net increase in personnel expenses, resulting from higher average headcount to support operations and higher employee separation costs mainly related to leadership changes, offset by lower bonus amounts consistent with company performance in 2014. The remaining increase in G&A expenses primarily related to a $0.5 million increase in corporate business insurance expenses mainly related to the timing of policy premiums in connection with our acquisitions.

Depreciation and Amortization of Acquired Intangible Assets

(In thousands, except percentages)	Years ended December 31,				
	2015	Change	2014	Change	2013
Depreciation	$ 1,521	$ 221	$ 1,300	$ 62	$ 1,238
Amortization of acquired intangible assets	12,757	15	12,742	50	12,692
Total	$ 14,278	$ 236	$ 14,042	$ 112	$ 13,930
Percentage of revenue	12%		14%		15%

Depreciation of property and equipment includes depreciation of computer equipment and software, office equipment and furniture, and leasehold improvements not recognized in cost of revenue. Amortization of acquired intangible assets primarily includes the amortization of customer relationships, which are amortized over their estimated lives.

Year ended December 31, 2015 compared with year ended December 31, 2014

Depreciation and amortization of acquired intangible assets were comparable to the prior period.

Year ended December 31, 2014 compared with year ended December 31, 2013

Depreciation and amortization of acquired intangible assets were comparable to the prior period.

Other Loss, Net

(In thousands)	Years ended December 31,				
	2015	Change	2014	Change	2013
Interest income	$ (609)	$ (254)	$ (355)	$ (55)	$ (300)
Interest expense	9,044	(432)	9,476	210	9,266
Amortization of debt issuance costs	1,133	74	1,059	(40)	1,099
Accretion of debt discounts	3,866	272	3,594	768	2,826
Loss on debt extinguishment and modification expense	398	398	—	(1,593)	1,593
Loss on derivative instrument	—	—	—	(11,652)	11,652
Impairment of equity investment in privately-held company	—	—	—	(3,711)	3,711
Gain on third party bankruptcy settlement	(1,128)	(842)	(286)	253	(539)
Other	(162)	(163)	1	(259)	260
Other loss, net	$ 12,542	$ (947)	$ 13,489	$ (16,079)	$ 29,568

Year ended December 31, 2015 compared with year ended December 31, 2014

The decrease in interest expense primarily related to a lower balance on the TaxAct 2013 credit facility.

The increase in loss on debt extinguishment and modification expense related to the closure of the TaxAct 2013 credit facility in December 2015, at which point the remaining related unamortized debt issuance costs were written off.

The gain on third party bankruptcy settlement related to amounts received in connection with ongoing distributions from the Lehman Brothers estate, of which we are a creditor.

Year ended December 31, 2014 compared with year ended December 31, 2013

The increases in interest expense and accretion of debt discounts primarily related to the Convertible Senior Notes issued in March 2013, offset by decreases in the same categories due to the TaxAct credit facility refinancing in August 2013 and payments of the related principal balance in 2014.

Loss on debt extinguishment and modification expense related to the TaxAct credit facility refinancing in August 2013. Refer to " Note 8: Debt " of the Notes to Consolidated Financial Statements in Part II Item 8 of this report.

On November 21, 2013, the Warrant to purchase 1.0 million shares of Blucora common stock was exercised in full. The change in the fair value of the Warrant, driven by the change in the value of our common stock, resulted in an $11.7 million loss on derivative instrument during 2013. Refer to " Note 2: Summary of Significant Accounting Policies " and " Note 10: Stockholders' Equity " of the Notes to Consolidated Financial Statements in Part II Item 8 of this report.

In 2013, in connection with a review of our equity method investments for other-than-temporary impairment, we determined that our equity investment in a privately-held company had experienced an other-than-temporary decline in value, due to recurring losses from operations, significant personnel reductions, and a change in the underlying business model. Accordingly, we wrote down the $3.7 million carrying value of the investment to zero, resulting in a loss.

Income Taxes

During 2015 , we recorded an income tax benefit of $4.6 million . Income tax differed from taxes at the statutory rates primarily due to the non-deductible acquisition-related transaction costs.

During 2014 , we recorded an income tax benefit of $3.3 million . Income taxes did not differ materially from taxes at the statutory rate

During 2013 , we recorded an income tax benefit of $7.4 million . Income tax differed from taxes at the statutory rates primarily due to the non-deductible loss on the Warrant derivative (see " Note 10: Stockholders' Equity " of the Notes to Consolidated Financial Statements in Part II Item 8 of this report).

At December 31, 2015 , we had gross temporary differences representing future tax deductions of $687.2 million , which represented deferred tax assets primarily comprised of $521.1 million of federal net operating loss carryforwards. We applied a valuation allowance against the net operating loss carryforwards and certain other deferred tax assets. If in the future, we determine that any additional portion of the deferred tax assets is more likely than not to be realized, we will record a benefit to the income statement or additional paid-in-capital, as appropriate.

Discontinued Operations, Net of Income Taxes

(In thousands)	Years ended December 31,				
	2015	Change	2014	Change	2013
Discontinued operations, net of income taxes	$ (27,348)	$ 2,655	$ (30,003)	$ (80,063)	$ 50,060

On October 14, 2015, we announced our plans to focus on the technology-enabled financial solutions market, which we refer to as the “Strategic Transformation.” The Strategic Transformation includes plans to divest the Search and Content and E-Commerce businesses. Our results of operations reflect the Search and Content and E-Commerce businesses as discontinued operations for all periods presented. Amounts in discontinued operations include previously unallocated depreciation, amortization, stock-based compensation, income taxes, and other corporate expenses that were attributable to the Search and Content and E-Commerce businesses. In addition, discontinued operations included impairments of goodwill and intangible assets of $15.1 million and $5.9 million related to Search and Content goodwill and the HSW trade name, respectively, and impairments of goodwill and intangible assets of $33.8 million and $4.2 million related to E-Commerce goodwill and the Monoprice trade name, respectively, all recognized in the fourth quarter of 2015. Impairments of goodwill and intangible assets of $59.4 million and $3.2 million related to E-Commerce goodwill and the Monoprice trade name, respectively, also were recognized in the fourth quarter of 2014.

See " Note 4: Discontinued Operations " of the Notes to Consolidated Financial Statements in Part II Item 8 of this report for additional information on discontinued operations. For a discussion of the risks associated with these pending divestitures, see the section in our Risk Factors (Part I Item 1A. of this report) under the heading "Risks Associated With our Strategic Transformation."

NON-GAAP FINANCIAL MEASURES

Adjusted EBITDA: We define Adjusted EBITDA differently for this report than we have defined it in the past, due to the discontinued operations treatment of our Search and Content and E-Commerce businesses as determined in the fourth quarter

of 2015, as well as transaction costs related to the HD Vest acquisition and separation-related costs in connection with the upcoming departure of our chief executive officer both of which were announced in the fourth quarter of 2015. We define Adjusted EBITDA as income (loss) from continuing operations, determined in accordance with GAAP, excluding the effects of income taxes, depreciation, amortization of acquired intangible assets (including acquired technology), stock-based compensation, acquisition-related transaction costs, CEO separation-related costs, and other loss, net (which primarily includes items such as interest income, interest expense, amortization of debt issuance costs, accretion of debt discounts, loss on debt extinguishment and modification expense, loss on derivative instrument, other-than-temporary impairment loss on equity investment, and gain on third party bankruptcy settlement).

We believe that Adjusted EBITDA provides meaningful supplemental information regarding our performance. We use this non-GAAP financial measure for internal management and compensation purposes, when publicly providing guidance on possible future results, and as a means to evaluate period-to-period comparisons. We believe that Adjusted EBITDA is a common measure used by investors and analysts to evaluate our performance, that it provides a more complete understanding of the results of operations and trends affecting our business when viewed together with GAAP results, and that management and investors benefit from referring to this non-GAAP financial measure. Items excluded from Adjusted EBITDA are significant and necessary components to the operations of our business and, therefore, Adjusted EBITDA should be considered as a supplement to, and not as a substitute for or superior to, GAAP income (loss) from continuing operations. Other companies may calculate Adjusted EBITDA differently and, therefore, our Adjusted EBITDA may not be comparable to similarly titled measures of other companies. A reconciliation of our Adjusted EBITDA to income (loss) from continuing operations, which we believe to be the most comparable GAAP measure, is presented below:

(In thousands)	**Years ended December 31,**		
	2015	**2014**	**2013**
Loss from continuing operations	$ (12,726)	$ (5,544)	$ (25,661)
Stock-based compensation	8,694	8,694	8,499
Depreciation and amortization of acquired intangible assets	22,590	22,164	21,973
Acquisition-related transaction costs	10,988	—	—
CEO separation-related costs	1,769	—	—
Other loss, net	12,542	13,489	29,568
Income tax benefit	(4,623)	(3,342)	(7,385)
Adjusted EBITDA	$ 39,234	$ 35,461	$ 26,994

Year ended December 31, 2015 compared with year ended December 31, 2014

The increase in Adjusted EBITDA was due to an increase in segment operating income of $7.3 million related to growth in our Tax Preparation segment, offset by a $3.5 million increase in corporate operating expenses not allocated to the segments primarily related to an increase in personnel expenses (mainly due to higher average headcount to support operations).

Year ended December 31, 2014 compared with year ended December 31, 2013

The increase in Adjusted EBITDA was due to an increase in segment operating income of $9.1 million related to growth in our Tax Preparation segment, offset by a $0.6 million increase in corporate operating expenses not allocated to the segments primarily related to an increase in corporate business insurance expenses (mainly due to the timing of policy premiums in connection with our acquisitions).

Non-GAAP income from continuing operations : We define non-GAAP income from continuing operations differently for this report than we have defined it in the past, due to the discontinued operations treatment of our Search and Content and E-Commerce businesses as determined in the fourth quarter of 2015, as well as transaction costs related to the HD Vest acquisition and separation-related costs in connection with the upcoming departure of our chief executive officer both of which were announced in the fourth quarter of 2015. For this report, we define non-GAAP income from continuing operations as income (loss) from continuing operations, determined in accordance with GAAP, excluding the effects of stock-based compensation, amortization of acquired intangible assets (included acquired technology), accretion of debt discount on the Convertible Senior Notes, loss on debt extinguishment and modification expense, loss on derivative instrument, other-than-temporary impairment loss on equity investment, acquisition-related transaction costs, CEO separation-related costs, the related cash tax impact of those adjustments, and non-cash income taxes. We exclude the non-cash portion of income taxes because of our ability to offset a substantial portion of our cash tax liabilities by using deferred tax assets, which primarily consist of U.S. federal net operating losses. The majority of these net operating losses will expire, if unutilized, between 2020 and 2024 .

We believe that non-GAAP income from continuing operations and non-GAAP income from continuing operations per share provide meaningful supplemental information to management, investors, and analysts regarding our performance and the valuation of our business by excluding items in the statement of operations that we do not consider part of our ongoing operations or have not been, or are not expected to be, settled in cash. Additionally, we believe that non-GAAP income from continuing operations and non-GAAP income from continuing operations per share are common measures used by investors and analysts to evaluate our performance and the valuation of our business. Non-GAAP income from continuing operations should be evaluated in light of our financial results prepared in accordance with GAAP and should be considered as a supplement to, and not as a substitute for or superior to, GAAP income (loss) from continuing operations. Other companies may calculate non-GAAP income from continuing operations differently, and, therefore, our non-GAAP income from continuing operations may not be comparable to similarly titled measures of other companies. A reconciliation of our non-GAAP income from continuing operations to income (loss) from continuing operations, which we believe to be the most comparable GAAP measure, is presented below:

(In thousands, except per share amounts)	**Years ended December 31,**		
	2015	**2014**	**2013**
Loss from continuing operations	$ (12,726)	$ (5,544)	$ (25,661)
Stock-based compensation	8,694	8,694	8,499
Amortization of acquired intangible assets	20,303	20,192	20,142
Accretion of debt discount on Convertible Senior Notes	3,866	3,594	2,674
Loss on debt extinguishment and modification expense	398	—	1,593
Loss on derivative instrument	—	—	11,652
Impairment of equity investment in privately-held company	—	—	3,711
Acquisition-related transaction costs	10,988	—	—
CEO separation-related costs	1,769	—	—
Cash tax impact of adjustments to GAAP net income	(236)	(151)	(209)
Non-cash income tax benefit	(4,857)	(3,459)	(7,441)
Non-GAAP income from continuing operations	$ 28,199	$ 23,326	$ 14,960
Per diluted share:			
Loss from continuing operations	(0.30)	(0.13)	(0.59)
Stock-based compensation	0.21	0.20	0.19
Amortization of acquired intangible assets	0.49	0.47	0.46
Accretion of debt discount on Convertible Senior Notes	0.09	0.08	0.06
Loss on debt extinguishment and modification expense	0.01	—	0.04
Loss on derivative instrument	—	—	0.27
Impairment of equity investment in privately-held company	—	—	0.08
Acquisition-related transaction costs	0.26	—	—
CEO separation-related costs	0.04	—	—
Cash tax impact of adjustments to GAAP net income	(0.01)	0.00	0.00
Non-cash income tax benefit	(0.12)	(0.08)	(0.17)
Non-GAAP income from continuing operations	$ 0.67	$ 0.54	$ 0.34
Weighted average shares outstanding used in computing per diluted share amounts, including the "Loss from continuing operations" amount	41,861	42,946	43,480

Year ended December 31, 2015 compared with year ended December 31, 2014

The increase in non-GAAP income from continuing operations primarily was due an increase in segment operating income of $7.3 million related to growth in our Tax Preparation segment, offset by a $3.5 million increase in corporate operating expenses not allocated to the segments primarily related to an increase in personnel expenses (mainly due to higher average headcount to support operations).

Year ended December 31, 2014 compared with year ended December 31, 2013

The increase in non-GAAP income from continuing operations primarily was due to an increase in segment operating income of $9.1 million related to growth in our Tax Preparation segment, offset by a $0.6 million increase in corporate operating expenses not allocated to the segments primarily related to an increase in corporate business insurance expenses (mainly due to the timing of policy premiums in connection with our acquisitions).

LIQUIDITY AND CAPITAL RESOURCES

Cash, Cash Equivalents, and Short-Term Investments

Our principal source of liquidity is our cash, cash equivalents, and short-term investments. As of December 31, 2015 , we had cash and marketable investments of $66.8 million , consisting of cash and cash equivalents of $55.5 million and available-for-sale investments of $11.3 million . We generally invest our excess cash in high quality marketable investments. These investments generally include debt instruments issued by the U.S. federal government and its agencies, international governments, municipalities and publicly-held corporations, as well as commercial paper, insured time deposits with commercial banks, and money market funds invested in securities issued by agencies of the U.S., although specific holdings can vary from period to period depending upon our cash requirements. Our financial instrument investments held at December 31, 2015 had minimal default risk and short-term maturities.

We have financed our operations primarily from cash provided by operating activities. Accordingly, we believe that the cash generated from our operations and the cash and cash equivalents we have on hand will be sufficient to meet our operating, working capital, and capital expenditure requirements for at least the next 12 months. However, the underlying levels of revenues and expenses that we project may not prove to be accurate. For further discussion of the risks to our business related to liquidity, see the paragraph in our Risk Factors (Part I Item 1A of this report) under the heading " Existing cash and cash equivalents, short-term investments, and cash generated from operations may not be sufficient to meet our anticipated cash needs for servicing debt, working capital, and capital expenditures. "

Use of Cash

We may use our cash, cash equivalents, and short-term investments balance in the future on investment in our current businesses, for repayment of debt, for stock repurchases and/or the payment of ordinary dividends, or for acquiring companies or assets that complement our Wealth Management and Tax Preparation businesses. We currently are focused on the following areas: product innovation and offering expansion, as well as customer support, education, and training.

On October 14, 2015, we announced our plans to focus on the technology-enabled financial solutions market, which we refer to as the “Strategic Transformation.” Our Strategic Transformation consists of the acquisition of HD Vest, which closed on December 31, 2015 , plans to divest our Search and Content and E-Commerce businesses, and plans to reduce corporate operating expenses. We also expect to shift our capital allocation priority in the near-term to pay down debt, which includes using at least 50% of the net divestiture proceeds to pay down the new TaxAct - HD Vest 2015 credit facility per the debt agreement. See the "Strategic Transformation" subsection above for additional detail regarding the related use of cash. Related to the acquisition of HD Vest, we paid $610.5 million in cash, which was funded by a combination of cash on hand and the new TaxAct - HD Vest 2015 credit facility. The TaxAct - HD Vest 2015 credit facility agreement includes a revolving credit loan and a term loan and amounts to $425.0 million . The final maturity dates of the revolving credit loan and term loan are December 31, 2020 and December 31, 2022 , respectively. The interest rate is variable, based on LIBOR plus a margin that depends upon TaxAct and HD Vest's combined net leverage to EBITDA ratio. The credit facility includes financial and operating covenants, including a net leverage to EBITDA ratio, which are defined further in the agreement. We borrowed $400.0 million on the credit facility in 2015.

On July 2, 2015 , TaxACT acquired SimpleTax for C$2.4 million (with C$ indicating Canadian dollars and amounting to approximately $1.9 million based on the acquisition-date exchange rate) in cash and additional consideration of up to C$4.6 million ($3.7 million) that is contingent upon product availability and revenue performance over a three -year period.

On August 30, 2013, TaxAct entered into an agreement to refinance a 2012 credit facility on more favorable terms. Under that 2012 credit facility, TaxAct borrowed $100.0 million, of which $25.5 million was repaid in 2012, $10.0 million in April 2013, and the remaining $64.5 million in August 2013, the latter amount in connection with the refinancing of this credit agreement. TaxAct initially borrowed $71.4 million under the 2013 credit facility and had net repayment activity of approximately $51.9 million and $19.4 million in 2015 and 2014 , respectively. TaxAct had the right to permanently reduce, without premium or penalty, the entire credit facility at any time. In accordance with this provision, TaxAct repaid the

outstanding amount under the credit facility in full in 2015, at which point the credit facility was closed and the remaining related debt issuance costs were written off. For further detail, see " Note 8: Debt " of the Notes to Consolidated Financial Statements in Part II Item 8 of this report.

On March 15, 2013, we issued $201.25 million principal amount of 4.25% Convertible Senior Notes (the " ***Notes*** "). The Notes mature April 1, 2019, unless earlier purchased, redeemed, or converted in accordance with their terms. The Notes bear interest at a rate of 4.25% per year, payable semi-annually in arrears beginning on October 1, 2013. We received net proceeds from the offering of approximately $194.8 million. There are no financial or operating covenants relating to the Notes. As of May 2013, we are permitted to settle conversions in cash, shares of our common stock, or a combination of cash and shares of our common stock, at our election. We intend to satisfy any conversion premium by issuing shares of our common stock. For further detail, see " Note 8: Debt " of the Notes to Consolidated Financial Statements in Part II Item 8 of this report.

Our Board of Directors approved a stock repurchase program whereby we may purchase our common stock in open-market transactions. In May 2014, our Board of Directors increased the repurchase authorization, such that we may repurchase up to $85.0 million of our common stock, and extended the repurchase period through May 2016. We had the following open-market share purchase activity, exclusive of purchase and administrative costs:

(In thousands, except per share data)	Total Number of Shares Purchased	Average Price Paid per Share	Total Cost
Year ended December 31, 2015	551	$ 14.01	$ 7,713
Year ended December 31, 2014	2,289	$ 16.85	$ 38,558
Year ended December 31, 2013	418	$ 23.95	$ 9,990

As of December 31, 2015 , we may repurchase up to an additional $28.7 million of our common stock under the repurchase program. For further detail, see " Note 10: Stockholders' Equity " of the Notes to Consolidated Financial Statements in Part II Item 8 of this report.

Contractual Obligations and Commitments

Our contractual obligations and commitments are as follows for years ending December 31:

(In thousands)	2016	2017	2018	2019	2020	Thereafter	Total
Operating lease commitments	$ 3,871	$ 3,945	$ 4,026	$ 4,105	$ 3,795	$ 6,098	$ 25,840
Purchase commitments	3,082	3,002	2,530	—	—	—	8,614
Debt commitments	33,200	32,560	20,640	221,250	10,000	290,000	607,650
Interest on Notes	8,553	8,553	8,553	4,277	—	—	29,936
Acquisition-related contingent consideration liability	—	723	962	1,266	—	—	2,951
Total	$ 48,706	$ 48,783	$ 36,711	$ 230,898	$ 13,795	$ 296,098	$ 674,991

For further detail see " Note 9: Commitments and Contingencies " of the Notes to Consolidated Financial Statements in Part II Item 8 of this report.

Off-balance Sheet Arrangements

We have no off-balance sheet arrangements other than operating leases.

Unrecognized Tax Benefits

The above table does not reflect unrecognized tax benefits of approximately $3.4 million , the timing of which is uncertain. For additional discussion on unrecognized tax benefits see " Note 14: Income Taxes " of the Notes to Consolidated Financial Statements in Part II Item 8 of this report.

Cash Flows

Our cash flows were comprised of the following:

(In thousands)	Years ended December 31,		
	2015	2014	2013
Net cash provided by operating activities from continuing operations	$ 16,341	$ 20,128	$ 28,011
Net cash used by investing activities from continuing operations	(336,024)	(54,003)	(121,208)
Net cash provided (used) by financing activities from continuing operations	328,619	(46,465)	196,203
Net cash provided (used) by continuing operations	8,936	(80,340)	103,006
Net cash provided (used) by discontinued operations	4,586	2,359	(51,341)
Effect of exchange rate changes on cash and cash equivalents	(17)	—	—
Net increase (decrease) in cash and cash equivalents	$ 13,505	$ (77,981)	$ 51,665

Net cash from the operating activities of continuing operations: Net cash from the operating activities of continuing operations consists of income (loss) from continuing operations, offset by certain non-cash adjustments, and changes in our working capital.

Net cash provided by operating activities was $16.3 million , $20.1 million , and $28.0 million for the years ended December 31, 2015 , 2014 , and 2013 , respectively. The activity in 2015 included an $11.2 million working capital contribution and approximately $5.2 million of non-cash adjustments and a loss from continuing operations. The working capital contribution continued to be driven by accrued expenses and the impact of excess tax benefits from stock-based activity primarily due to utilizing equity net operating loss carryforwards from prior years, and also included separation-related costs accrued in connection with the upcoming departure of our chief executive officer.

The activity in 2014 included a $2.6 million working capital contribution and approximately $17.6 million of non-cash adjustments and a loss from continuing operations. The working capital contribution was driven by accrued expenses and the impact of excess tax benefits from stock-based activity, offset by increased prepaid expense balances related to the timing of TaxAct's spending on marketing campaigns for the related tax season.

The activity in 2013 included a $14.6 million working capital contribution and approximately $13.4 million of non-cash adjustments and a loss from continuing operations. The working capital contribution was driven by accrued expenses and the impact of excess tax benefits from stock-based activity, as well as decreased prepaid expense balances related to the timing of TaxAct's spending on marketing campaigns for the related tax season. The contribution from deferred revenue was attributable to TaxAct revenue arrangements.

Net cash from the investing activities of continuing operations: Net cash from the investing activities of continuing operations primarily consists of cash outlays for business acquisitions, transactions (purchases, as well as proceeds from sales and maturities) related to our investments, and purchases of property and equipment. Our investing activities tend to fluctuate from period to period primarily based upon the level of acquisition activity.

Net cash used by investing activities was $336.0 million , $54.0 million , and $121.2 million for the years ended December 31, 2015 , 2014 , and 2013 , respectively. The activity in 2015 primarily consisted of the acquisitions of HD Vest and SimpleTax for a combined $573.4 million and $1.5 million in purchases of property and equipment, offset by net cash inflows on our available-for-sale investments of $238.7 million . The activity in 2014 primarily consisted of net cash outlays on our available-for-sale investments of $52.0 million and $2.0 million in purchases of property and equipment. The activity in 2013 primarily consisted of net cash outlays on our available-for-sale investments of $112.5 million , the acquisition of Balance Financial for $4.9 million , and $2.4 million in purchases of property and equipment.

Net cash from the financing activities of continuing operations: Net cash from the financing activities of continuing operations primarily consists of transactions related to the issuance of debt and stock. Our financing activities tend to fluctuate from period to period based upon our financing needs due to the level of acquisition activity and market conditions that present favorable financing opportunities.

Net cash provided by financing activities was $328.6 million for the year ended December 31, 2015 . The activity in 2015 primarily consisted of $378.3 million in proceeds from the TaxAct - HD Vest credit facility, $8.0 million in excess tax benefits from stock-based activity primarily due to utilizing equity net operating loss carryforwards from prior years, and $3.6 million

in combined proceeds from the issuance of common stock related to stock option exercises and the employee stock purchase plan. These cash inflows were offset by payments of $51.9 million on the TaxAct 2013 credit facility, stock repurchases of $7.7 million , and $1.5 million in tax payments from shares withheld upon vesting of restricted stock units.

Net cash used by financing activities was $46.5 million for the year ended December 31, 2014 . The activity for 2014 primarily consisted of payments of $56.0 million on the TaxAct 2013 credit facility, stock repurchases of $38.7 million , and $2.9 million in tax payments from shares withheld upon vesting of restricted stock units. These cash outflows were offset by approximately $36.6 million in proceeds from the TaxAct 2013 credit facility, $8.1 million in combined proceeds from the issuance of common stock related to stock option exercises and the employee stock purchase plan, and $6.4 million in excess tax benefits from stock-based activity primarily due to utilizing equity net operating loss carryforwards from prior years.

Net cash provided by financing activities was $196.2 million for the year ended December 31, 2013 . The activity for 2013 consisted of $200.8 million in combined net proceeds from the Notes and the TaxAct 2013 credit facility, $13.5 million in combined proceeds from the issuance of common stock related to stock option exercises, the employee stock purchase plan, and the Warrant exercise, and $4.3 million in excess tax benefits from stock-based activity primarily due to utilizing equity net operating loss carryforwards from prior years. These cash inflows were offset by a $10.0 million payment on the TaxAct 2012 credit facility, stock repurchases of $10.0 million , and $2.4 million in tax payments from shares withheld upon vesting of restricted stock units.

Critical Accounting Policies and Estimates

This Management’s Discussion and Analysis of Financial Condition and Results of Operations and the disclosures included elsewhere in this Annual Report on Form 10-K are based upon our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses, and disclosure of contingencies. In some cases, we could have reasonably used different accounting policies and estimates.

The SEC has defined a company’s most critical accounting policies as the ones that are the most important to the portrayal of the company’s financial condition and results of operations and which require the company to make its most difficult and subjective judgments, often as a result of the need to make estimates of matters that are inherently uncertain. On an ongoing basis, we evaluate the estimates used. We base our estimates on historical experience, current conditions, and on various other assumptions that we believe to be reasonable under the circumstances and, based on information available to us at that time, we make judgments about the carrying values of assets and liabilities that are not readily apparent from other sources as well as identify and assess our accounting treatment with respect to commitments and contingencies. Actual results may differ significantly from these estimates under different assumptions, judgments, or conditions. We believe the following critical accounting policies involve the more significant judgments and estimates used in the preparation of our consolidated financial statements. We also have other accounting policies that involve the use of estimates, judgments, and assumptions that are significant to understanding our results. For additional information, see " Note 2: Summary of Significant Accounting Policies " of the Notes to Consolidated Financial Statements in Part II Item 8 of this report.

Tax preparation revenue recognition : We derive service revenue from the sale of tax preparation online services, ancillary service offerings, packaged tax preparation software, and multiple element arrangements that may include a combination of these items. Ancillary service offerings include tax preparation support services, data archive services, e-filing services, bank or reloadable pre-paid debit card services, and other value-added services. This revenue is recorded in the Tax Preparation segment.

Our Tax Preparation segment revenue consists primarily of hosted tax preparation online services, tax preparation support services, data archive services, and e-filing services. We recognize revenue from these services as the services are performed and the four revenue recognition criteria as described in " Note 2: Summary of Significant Accounting Policies " of the Notes to Consolidated Financial Statements in Part II Item 8 of this report are met.

We recognize revenue from the sale of our packaged software when legal title transfers. This is generally when our customers download the software from the Internet or when the software ships.

The bank or reloadable prepaid debit card services are offered to taxpayers as an option to receive their tax refunds in the form of a prepaid bank card or to have the fees for the software and/or services purchased by the customers deducted from their refunds. Other value-added service revenue consists of revenue from revenue sharing and royalty arrangements with third party partners. Revenue for these transactions is recognized when the four revenue recognition criteria described above are

met; for some arrangements that is upon filing and for other arrangements that is upon our determination of when collectibility is probable.

For software and/or services that consist of multiple elements, we must: (1) determine whether and when each element has been delivered; (2) determine the fair value of each element using the selling price hierarchy of vendor-specific objective evidence (" ***VSOE*** ") of fair value if available, third-party evidence (" ***TPE*** ") of fair value if VSOE is not available, and estimated selling price (" ***ESP*** ") if neither VSOE nor TPE is available; and (3) allocate the total price among the various elements based on the relative selling price method. Once we have allocated the total price among the various elements, we recognize revenue when the revenue recognition criteria described above are met for each element.

VSOE generally exists when we sell the deliverable separately. When VSOE cannot be established, we attempt to establish a selling price for each element based on TPE. TPE is determined based on competitor prices for similar deliverables when sold separately. When we are unable to establish selling price using VSOE or TPE, we use ESP in our allocation of arrangement consideration. ESP is the estimated price at which we would sell the software or service if it were sold on a stand-alone basis. We determine ESP for the software or service by considering multiple factors including, but not limited to, historical stand-alone sales, pricing practices, market conditions, competitive landscape, internal costs, and gross margin objectives.

In some situations, we receive advance payments from our customers. We defer revenue associated with these advance payments and recognize the consideration for each element when we ship the software or perform the services, as appropriate. Advance payments related to data archive services are deferred and recognized over the related contractual term.

Cost of revenue: We record the cost of revenue for sales of services when the related revenue is recognized. "Services cost of revenue" consists of costs related to the Tax Preparation business, which include royalties, bank product service fees, and costs associated with the operation of its data centers. Data center costs include personnel expenses (salaries, stock-based compensation, benefits, and other employee-related costs), software support and maintenance, bandwidth and hosting costs, and depreciation. Cost of revenue also includes the amortization of acquired technology.

Sales and marketing expenses: Sales and marketing expenses consist principally of marketing expenses associated with our TaxAct business (which include television, radio, online, text, email, and sponsorship channels) and personnel expenses (salaries, stock-based compensation, benefits, and other employee-related costs) for personnel engaged in marketing and selling activities.

Stock-based compensation: We measure stock-based compensation at the grant date based on the fair value of the award and recognize it as expense, net of estimated forfeitures, over the vesting or service period, as applicable, of the stock award using the straight-line method. We recognize stock-based compensation over the vesting period for each separately vesting portion of a share-based award as if they were individual share-based awards. We estimate forfeitures at the time of grant and revise those estimates, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

Calculating stock-based compensation relies upon certain assumptions, including the expected term of the stock-based awards, expected stock price volatility, expected interest rate, number and types of stock-based awards, and the pre-vesting forfeiture rate. If we use different assumptions due to changes in our business or other factors, our stock-based compensation could vary materially in the future.

Income taxes : We account for income taxes under the asset and liability method, under which deferred tax assets, including net operating loss carryforwards, and liabilities are determined based on temporary differences between the book and tax bases of assets and liabilities. We periodically evaluate the likelihood of the realization of deferred tax assets and reduce the carrying amount of the deferred tax assets by a valuation allowance to the extent we believe a portion will not be realized. We consider many factors when assessing the likelihood of future realization of the deferred tax assets, including expectations of future taxable income, recent cumulative earnings experience by taxing jurisdiction, and other relevant factors. There is a wide range of possible judgments relating to the valuation of our deferred tax assets.

We record liabilities to address uncertain tax positions that have been taken in previously filed tax returns or that are expected to be taken in a future tax return. The determination for required liabilities is based upon an analysis of each individual tax position, taking into consideration whether it is more likely than not that the tax position, based on technical merits, will be sustained upon examination. The tax benefit to be recognized in the financial statements from such a position is measured as the largest amount of benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the taxing authority. The difference between the amount recognized and the total tax position is recorded as a liability. The ultimate resolution of these tax positions may be greater or less than the liabilities recorded.

For additional information about the realization of our deferred tax assets and our valuation allowance, see " Note 14: Income Taxes " of the Notes to Consolidated Financial Statements in Part II Item 8 of this report. For additional information about our net operating loss carryforwards, see the Risk Factor " If there is a change in our ownership within the meaning of Section 382 of the Internal Revenue Code, our ability to use our net operating loss carryforwards (" *NOLs* ") may be severely limited or potentially eliminated. " in Part I Item 1A of this report. For additional information about expectations of future taxable income, see the Risk Factor " Our financial results may fluctuate, which could cause our stock price to be volatile or decline. " in Part I Item 1A of this report.

Business combinations and intangible assets including goodwill : We account for business combinations using the acquisition method. The acquisition-date fair value of total consideration includes cash and contingent consideration. Since we are contractually obligated to pay contingent consideration upon the achievement of specified objectives, a contingent consideration liability is recorded at the acquisition date and is classified within Level 3 of the fair value hierarchy because we value the liability utilizing significant inputs not observable in the market. Specifically, we have determined the fair value of the contingent consideration liability based on a probability-weighted discounted cash flow analysis, which includes assumptions related to estimating revenues, the probability of payment, and the discount rate. We review our assumptions related to the fair value of the contingent consideration liability each reporting period and, if there are material changes, revalue the contingent consideration liability based on the revised assumptions, until such contingency is satisfied through payment upon the achievement of the specific objectives. The change in the fair value of the contingent consideration liability is recognized in the consolidated statements of comprehensive income for the period in which the fair value changes. If we use different assumptions due to changes in our business or other factors, the fair value of the contingent consideration liability could vary materially in the future.

Goodwill is calculated as the excess of the acquisition-date fair value of total consideration over the acquisition-date fair value of net assets, including the amount assigned to identifiable intangible assets, and is assigned to reporting units that are expected to benefit from the synergies of the business combination as of the acquisition date. Reporting units are consistent with reportable segments and include the former Search and Content and E-Commerce segments. Identifiable intangible assets with finite lives are amortized over their useful lives on a straight-line basis. Acquisition-related costs, including advisory, legal, accounting, valuation, and other similar costs, are expensed in the periods in which the costs are incurred. The results of operations of acquired businesses are included in the consolidated financial statements from the acquisition date.

Goodwill and intangible assets impairment: We evaluate goodwill and indefinite-lived intangible assets for impairment annually, as of November 30, or more frequently when events or circumstances indicate that impairment may have occurred. As part of the impairment evaluation, we may elect to perform an assessment of qualitative factors. If this qualitative assessment indicates that it is more likely than not that the fair value of a reporting unit (for goodwill) or an indefinite-lived intangible asset is less than its carrying value, or if we elect to bypass the qualitative assessment, we then would proceed with the quantitative impairment test.

The goodwill quantitative impairment test is a two-step process that first compares the carrying values of reporting units to their fair values. If the carrying value of a reporting unit exceeds the fair value, a second step is performed to compute the amount of impairment. This second step determines the current fair values of all assets and liabilities of a reporting unit and then compares the implied fair value of the reporting unit's goodwill to the carrying value of that goodwill. If the carrying value of the reporting unit's goodwill exceeds the implied fair value of the goodwill, an impairment loss is recognized in an amount equal to the excess.

The indefinite-lived intangible asset quantitative impairment test compares the carrying value of the intangible asset to its fair value. If the carrying value of the intangible asset exceeds the fair value, an impairment loss is recognized in an amount equal to the excess.

Fair value typically is estimated using the present value of future discounted cash flows, an income approach. The significant estimates in the discounted cash flow model include the weighted-average cost of capital, long-term rates of revenue growth and/or profitability of our businesses, and working capital effects. The weighted-average cost of capital considers the relevant risk associated with business-specific characteristics and the uncertainty related to each business's ability to achieve the projected cash flows. To validate the reasonableness of the reporting unit fair values, we reconcile the aggregate fair values of our reporting units to the aggregate market value of our common stock on the date of valuation, while considering a reasonable acquisition premium. These estimates and the resulting valuations require significant judgment.

Definite-lived intangible assets are reviewed for impairment when events or circumstances indicate that the carrying value of an asset or group of assets may not be recoverable. The determination of recoverability is based on an estimate of pre-tax undiscounted future cash flows, using our best estimates of future net sales and operating expenses, expected to result from

the use and eventual disposition of the asset or group of assets over the remaining economic life of the primary asset in the asset group. We measure the amount of the impairment as the excess of the asset's carrying value over its fair value.

In 2015 , we performed quantitative assessments for our Search and Content and E-Commerce reporting units as of October 31, due to the October announcement of our plans to divest these businesses, and performed a qualitative assessment for our Tax Preparation reporting unit as of November 30. In 2014 , we performed quantitative assessments for each of our reporting units as of November 30. As a result of these assessments, we recorded impairments of goodwill and intangible assets of $15.1 million and $5.9 million related to the Search and Content goodwill and the HSW trade name, respectively. and impairments of goodwill and intangible assets of $33.8 million and $4.2 million related to E-Commerce goodwill and the Monoprice trade name, respectively, all in the fourth quarter of 2015. We also recorded impairments of goodwill and intangible assets of $59.4 million and $3.2 million in the fourth quarter of 2014 related to E-Commerce goodwill and the Monoprice trade name, respectively. Impairments for both periods were recorded in discontinued operations. We also determined that the impairments related to the Search and Content and E-Commerce reporting units were indicators requiring the review of Search and Content and E-Commerce long-lived assets for recoverability. The results of this review indicated that their carrying values were recoverable.

A deterioration in the assumptions used in determining fair value or in other unforeseen events--such as market disruptions and deterioration of the macroeconomic environment or internal challenges related to reorganizations, employee and management turnover, and other trends--could have material negative impacts on our estimates and the resulting valuations, which could lead to a decision to impair goodwill and/or intangible assets in future periods.

For additional information about our goodwill and intangible assets, see " Note 4: Discontinued Operations " and " Note 5: Goodwill and Other Intangible Assets " of the Notes to Consolidated Financial Statements in Part II Item 8 of this report.

Equity method investments: We currently hold equity securities and warrants to purchase equity securities in companies whose securities are not publicly-traded. The equity method is used to account for investments in these companies, if the investment provides us with the ability to exercise significant influence over operating and financial policies of the investees. We record our proportionate share of the net earnings or losses of equity method investees and a corresponding increase or decrease to the investment balances. We evaluate our equity method investments for impairment whenever events or changes in circumstances indicate, in management’s judgment, that the carrying value of such investment may have experienced a decline in value. See " Note 13: Other Loss, Net " of the Notes to Consolidated Financial Statements in Part II Item 8 of this report.

Debt issuance costs and debt discounts: Debt issuance costs and debt discounts are deferred and amortized as interest expense under the effective interest method over the contractual term of the related debt, adjusted for prepayments in the case of our credit facilities.

Debt issuance costs related to the Convertible Senior Notes issued in 2013 were allocated to the liability and equity components of the instrument. The debt issuance costs allocated to the liability component are amortized to interest expense through the earlier of the maturity date of the Notes or the date of conversion, if any. The debt issuance costs allocated to the equity component of the Notes were recorded as an offset to "Additional paid-in capital."

Derivative instruments and hedging: We recognized derivative instruments as either assets or liabilities at their fair value. We recorded changes in the fair value of the derivative instruments as gains or losses either in " Other loss, net " on the consolidated statements of comprehensive income, for those not designated as a hedging instrument (the Warrant - see " Note 10: Stockholders' Equity " of the Notes to Consolidated Financial Statements in Part II Item 8 of this report), or in " Accumulated other comprehensive loss " on the consolidated balance sheets, for those used in a hedging relationship (the interest rate swap - see " Note 8: Debt " of the Notes to Consolidated Financial Statements in Part II Item 8 of this report). The Warrant and interest rate swap were settled in the last half of 2013. We had no derivatives outstanding as of December 31, 2015 .

Recent Accounting Pronouncements

See " Note 2: Summary of Significant Accounting Policies " of the Notes to Consolidated Financial Statements in Part II Item 8 of this report.

Quarterly Results of Operations (Unaudited)

The following table presents a summary of our unaudited consolidated results of operations for the eight quarters ended December 31, 2015 . The information for each of these quarters has been prepared on a basis consistent with our annual audited consolidated financial statements. You should read this information in conjunction with our consolidated financial statements and notes thereto in Part II Item 8. The operating results for any quarter are not necessarily indicative of results for any future period.

	March 31, 2014	June 30, 2014	September 30, 2014	December 31, 2014	March 31, 2015	June 30, 2015	September 30, 2015	December 31, 2015
	(In thousands except per share data and percentages)							
Services revenue	$ 72,279	$ 26,452	$ 2,469	$ 2,519	$ 81,068	$ 30,900	$ 2,875	$ 2,865
Operating expenses:								
Cost of revenue:								
Services cost of revenue	2,305	1,477	922	1,176	2,137	1,373	1,170	1,487
Amortization of acquired technology	1,863	1,862	1,863	1,862	1,862	1,863	1,911	1,910
Total cost of revenue	4,168	3,339	2,785	3,038	3,999	3,236	3,081	3,397
Engineering and technology	897	893	940	1,028	1,090	1,130	1,251	1,636
Sales and marketing	31,352	6,451	2,011	2,857	33,018	7,693	2,113	3,030
General and administrative	5,898	6,218	6,086	7,113	7,146	7,653	8,895	19,869
Depreciation	318	322	326	334	351	356	394	420
Amortization of other acquired intangible assets	3,185	3,186	3,185	3,186	3,186	3,185	3,195	3,191
Total operating expenses	45,818	20,409	15,333	17,556	48,790	23,253	18,929	31,543
Operating income (loss)	26,461	6,043	(12,864)	(15,037)	32,278	7,647	(16,054)	(28,678)
Other loss, net	(3,524)	(3,229)	(3,403)	(3,333)	(2,995)	(3,034)	(3,080)	(3,433)
Income (loss) from continuing operations before income taxes	22,937	2,814	(16,267)	(18,370)	29,283	4,613	(19,134)	(32,111)
Income tax benefit (expense)	(8,710)	(660)	6,037	6,675	(9,868)	(2,202)	6,926	9,767
Income (loss) from continuing operations	14,227	2,154	(10,230)	(11,695)	19,415	2,411	(12,208)	(22,344)
Discontinued operations, net of income taxes	11,760	6,583	7,992	(56,338)	3,685	1,840	1,597	(34,470)
Net income (loss)	$ 25,987	$ 8,737	$ (2,238)	$ (68,033)	$ 23,100	$ 4,251	$ (10,611)	$ (56,814)
Net income (loss) per share - basic:								
Continuing operations	$ 0.34	$ 0.05	$ (0.25)	$ (0.29)	$ 0.47	$ 0.06	$ (0.30)	$ (0.55)
Discontinued operations	0.28	0.16	0.20	(1.38)	0.09	0.04	0.04	(0.84)
Basic net income (loss) per share	$ 0.62	$ 0.21	$ (0.05)	$ (1.67)	$ 0.56	$ 0.10	$ (0.26)	$ (1.39)
Net income (loss) per share - diluted:								
Continuing operations	$ 0.32	$ 0.05	$ (0.25)	$ (0.29)	$ 0.46	$ 0.06	$ (0.30)	$ (0.55)
Discontinued operations	0.26	0.15	0.20	(1.38)	0.09	0.04	0.04	(0.84)
Diluted net income (loss) per share	$ 0.58	$ 0.20	$ (0.05)	$ (1.67)	$ 0.55	$ 0.10	$ (0.26)	$ (1.39)
Weighted average shares outstanding:								
Basic	42,162	41,570	41,034	40,820	40,987	40,918	40,950	40,979
Diluted	44,521	43,084	41,034	40,820	41,899	41,936	40,950	40,979

	March 31, 2014	June 30, 2014	September 30, 2014	December 31, 2014	March 31, 2015	June 30, 2015	September 30, 2015	December 31, 2015
Services revenue	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Operating expenses:								
Cost of revenue:								
Services cost of revenue	3.2	5.6	37.3	46.7	2.6	4.4	40.7	51.9
Amortization of acquired technology	2.6	7.0	75.5	73.9	2.3	6.0	66.5	66.7
Total cost of revenue	5.8	12.6	112.8	120.6	4.9	10.4	107.2	118.6
Engineering and technology	1.2	3.4	38.1	40.8	1.3	3.7	43.5	57.1
Sales and marketing	43.4	24.4	81.4	113.4	40.7	24.9	73.5	105.8
General and administrative	8.2	23.5	246.5	282.4	8.8	24.8	309.4	693.5
Depreciation	0.4	1.2	13.2	13.3	0.4	1.2	13.7	14.7
Amortization of other acquired intangible assets	4.4	12.0	129.0	126.5	3.9	10.3	111.1	111.4
Total operating expenses	63.4	77.1	621.0	697.0	60.0	75.3	658.4	1,101.1
Operating income (loss)	36.6	22.9	(521.0)	(597.0)	40.0	24.7	(558.4)	(1,001.1)
Other loss, net	(4.9)	(12.2)	(137.8)	(132.3)	(3.7)	(9.8)	(107.1)	(119.8)
Income (loss) from continuing operations before income taxes	31.7	10.7	(658.8)	(729.3)	36.3	14.9	(665.5)	(1,120.9)
Income tax benefit (expense)	(12.1)	(2.5)	244.5	265.0	(12.2)	(7.1)	240.9	340.9
Income (loss) from continuing operations	19.6	8.2	(414.3)	(464.3)	24.1	7.8	(424.6)	(780.0)
Discontinued operations, net of income taxes	16.3	24.9	323.7	(2,236.5)	4.5	6.0	55.5	(1,203.1)
Net income (loss)	35.9 %	33.1 %	(90.6)%	(2,700.8)%	28.6 %	13.8 %	(369.1)%	(1,983.1)%

ITEM 7A. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to financial market risks, including changes in the market values of our marketable debt securities and interest rates.

Financial market risk : We do not invest in financial instruments or their derivatives for trading or speculative purposes. By policy, we limit our credit exposure to any one issuer, other than securities issued by the U.S. federal government and its agencies, and do not have any derivative instruments in our investment portfolio. The three primary goals that guide our investment decisions, with the first being the most important, are: preserve capital, maintain ease of conversion into immediate liquidity, and achieve a rate of return over a pre-determined benchmark. As of December 31, 2015 , we principally invest in marketable fixed-rate debt securities. Fixed-rate debt securities generally include debt instruments issued by the U.S. federal government and its agencies, international governments, municipalities and publicly-held corporations, as well as commercial paper, insured time deposits with commercial banks, and money market funds invested in securities issued by agencies of the U.S., with minimal default risk and maturity dates of less than one year from the end of any of our quarterly accounting periods. We consider the market value, default, and liquidity risks of our investments to be low at December 31, 2015 .

Interest rate risk : As of December 31, 2015 , all of the debt securities that we held were fixed-rate earning instruments that carry a degree of interest rate risk. Fixed-rate securities may have their fair market value adversely impacted due to a rise in interest rates. We may suffer losses in principal if we are forced to sell securities that have declined in market value due to changes in interest rates. At December 31, 2015 , our cash equivalent balance of $5.4 million was held in money market funds , and our short-term investment balance of $11.3 million was held in U.S. government securities . We consider the interest rate risk for our cash equivalent and fixed-rate debt securities held at December 31, 2015 to be low. For further detail on our cash equivalents and fixed-rate debt securities, see " Note 6: Fair Value Measurements " of the Notes to Consolidated Financial Statements in Part II Item 8 of this report.

In addition, as of December 31, 2015 , we have $425.0 million of debt outstanding under the TaxAct - HD Vest 2015 (new in the fourth quarter of 2015) and Monoprice 2013 credit facilities, which carries a degree of interest rate risk. This debt has a floating portion of its interest rate tied to the London Interbank Offered Rate (***"LIBOR"***). For further information on our outstanding debt, see " Note 4: Discontinued Operations " and " Note 8: Debt " of the Notes to Consolidated Financial Statements in Part II Item 8 of this report. A hypothetical 100 basis point increase in LIBOR on December 31, 2015 would result in a $10.5 million increase in our interest expense until the scheduled maturity dates in 2022 and 2018 .

The following table provides information about our cash equivalent and fixed-rate debt securities as of December 31, 2015 , including principal cash flows for 2016 and thereafter and the related weighted average interest rates. The change in fair values during 2015 was less than $0.1 million for our cash equivalent and fixed-rate debt securities and was recorded in other comprehensive income. Principal amounts and weighted average interest rates by expected year of maturity are as follows:

(In thousands, except percentages)	2016		Thereafter		Total		Fair Value
U.S. government securities	$ 11,301	0.40%	$ —	—%	$ 11,301	0.40%	$ 11,301
Money market and other funds	5,410	0.28%	—	—%	5,410	0.28%	5,410
Cash equivalents and marketable fixed-rate debt securities	$ 16,711		$ —		$ 16,711		$ 16,711

ITEM 8. Financial Statements and Supplementary Data

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Blucora, Inc.

We have audited the accompanying consolidated balance sheets of Blucora, Inc. as of December 31, 2015 and 2014 and the related consolidated statements of comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2015 . These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Blucora, Inc. at December 31, 2015 and 2014 , and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2015 , 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), Blucora, Inc.'s internal control over financial reporting as of December 31, 2015 , based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 24, 2016 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Seattle, Washington
February 24, 2016

BLUCORA, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except per share data)

	December 31,	
	2015	2014
ASSETS		
Current assets:		
Cash and cash equivalents	$ 55,473	$ 41,968
Cash segregated under federal or other regulations	3,557	—
Available-for-sale investments	11,301	251,620
Accounts receivable, net of allowance of $20 and $1	7,884	292
Commissions receivable	16,328	—
Other receivables	24,407	1,890
Prepaid expenses and other current assets, net	10,062	6,466
Current assets of discontinued operations	211,663	72,253
Total current assets	340,675	374,489
Long-term assets:		
Property and equipment, net	11,308	6,542
Goodwill, net	548,959	188,541
Other intangible assets, net	396,295	92,119
Long-term assets of discontinued operations	—	202,707
Other long-term assets	2,311	1,377
Total long-term assets	958,873	491,286
Total assets	$ 1,299,548	$ 865,775
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 4,689	$ 419
Commissions and advisory fees payable	16,982	—
Accrued expenses and other current liabilities	13,006	7,227
Deferred revenue	11,521	6,320
Current portion of long-term debt, net	31,631	—
Current liabilities of discontinued operations	88,275	61,092
Total current liabilities	166,104	75,058
Long-term liabilities:		
Long-term debt, net	353,850	51,940
Convertible senior notes, net	185,918	181,063
Deferred tax liability, net	103,520	20,282
Deferred revenue	1,902	1,915
Long-term liabilities of discontinued operations	—	53,764
Other long-term liabilities	10,932	2,728
Total long-term liabilities	656,122	311,692
Total liabilities	822,226	386,750
Redeemable non-controlling interests	15,038	—
Commitments and contingencies (Note 9)		
Stockholders' equity:		
Common stock, par $0.0001—authorized shares, 900,000; issued and outstanding shares, 40,954 and 40,882	4	4
Additional paid-in capital	1,490,405	1,467,658
Accumulated deficit	(1,027,598)	(987,524)
Accumulated other comprehensive loss	(527)	(1,113)
Total stockholders' equity	462,284	479,025
Total liabilities and stockholders' equity	$ 1,299,548	$ 865,775

See notes to consolidated financial statements.

BLUCORA, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands, except per share data)

	Years ended December 31,		
	2015	2014	2013
Services revenue	$ 117,708	$ 103,719	$ 91,213
Operating expenses:			
Cost of revenue:			
Services cost of revenue	6,167	5,880	6,544
Amortization of acquired technology	7,546	7,450	7,450
Total cost of revenue	13,713	13,330	13,994
Engineering and technology	5,107	3,758	3,249
Sales and marketing	45,854	42,671	40,172
General and administrative	43,563	25,315	23,346
Depreciation	1,521	1,300	1,238
Amortization of other acquired intangible assets	12,757	12,742	12,692
Total operating expenses	122,515	99,116	94,691
Operating income (loss)	(4,807)	4,603	(3,478)
Other loss, net	(12,542)	(13,489)	(29,568)
Loss from continuing operations before income taxes	(17,349)	(8,886)	(33,046)
Income tax benefit	4,623	3,342	7,385
Loss from continuing operations	(12,726)	(5,544)	(25,661)
Income (loss) from discontinued operations, net of income taxes	(27,348)	(30,003)	50,060
Net income (loss)	$ (40,074)	$ (35,547)	$ 24,399
Net income (loss) per share - basic:			
Continuing operations	$ (0.31)	$ (0.13)	$ (0.62)
Discontinued operations	(0.67)	(0.73)	1.21
Basic net income (loss) per share	$ (0.98)	$ (0.86)	$ 0.59
Net income (loss) per share - diluted:			
Continuing operations	$ (0.31)	$ (0.13)	$ (0.62)
Discontinued operations	(0.67)	(0.73)	1.21
Diluted net income (loss) per share	$ (0.98)	$ (0.86)	$ 0.59
Weighted average shares outstanding:			
Basic	40,959	41,396	41,201
Diluted	40,959	41,396	41,201
Other comprehensive income (loss):			
Net income (loss)	$ (40,074)	$ (35,547)	$ 24,399
Unrealized gain (loss) on available-for-sale investments, net of tax	(236)	(1,119)	11
Foreign currency translation adjustment	(517)	—	—
Unrealized gain on derivative instrument, net of tax	—	—	266
Reclassification adjustment for realized (gain) loss on available-for-sale investments, net of tax, included in net income as Other loss, net	375	6	(1)
Reclassification adjustment for other-than-temporary impairment loss on available-for-sale investments, included in net income as discontinued operations	964	—	—
Other comprehensive income (loss)	586	(1,113)	276
Comprehensive income (loss)	$ (39,488)	$ (36,660)	$ 24,675

See notes to consolidated financial statements.

BLUCORA, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)

	Redeemable Non-controlling Interest	Common stock		Additional-paid-in capital	Accumulated deficit	Accumulated other comprehensive income (loss)	Total
		Shares	Amount				
Balance as of December 31, 2012	$ —	40,832	$ 4	$ 1,392,098	$ (976,376)	$ (276)	$ 415,450
Common stock issued for stock options and restricted stock units	—	584	—	2,841	—	—	2,841
Common stock issued for employee stock purchase plan	—	85	—	1,065	—	—	1,065
Common stock issued upon Warrant exercise	—	1,000	—	9,620	—	—	9,620
Stock repurchases	—	(418)	—	(10,006)	—	—	(10,006)
Convertible senior notes, net of issuance costs of $714 and tax effect of $7,785	—	—	—	13,842	—	—	13,842
Settlement of derivative instrument (Warrant)	—	—	—	20,217	—	—	20,217
Other comprehensive income	—	—	—	—	—	276	276
Stock-based compensation	—	—	—	11,642	—	—	11,642
Tax effect of equity compensation	—	—	—	27,224	—	—	27,224
Taxes paid on stock issued for equity awards	—	—	—	(2,500)	—	—	(2,500)
Net income	—	—	—	—	24,399	—	24,399
Balance as of December 31, 2013	—	42,083	4	1,466,043	(951,977)	—	514,070
Common stock issued for stock options and restricted stock units	—	1,003	—	6,715	—	—	6,715
Common stock issued for employee stock purchase plan	—	85	—	1,376	—	—	1,376
Stock repurchases	—	(2,289)	—	(38,650)	—	—	(38,650)
Other comprehensive loss	—	—	—	—	—	(1,113)	(1,113)
Stock-based compensation	—	—	—	11,990	—	—	11,990
Tax effect of equity compensation	—	—	—	22,962	—	—	22,962
Taxes paid on stock issued for equity awards	—	—	—	(2,778)	—	—	(2,778)
Net loss	—	—	—	—	(35,547)	—	(35,547)
Balance as of December 31, 2014	—	40,882	4	1,467,658	(987,524)	(1,113)	479,025
Common stock issued for stock options and restricted stock units	—	520	—	2,409	—	—	2,409
Common stock issued for employee stock purchase plan	—	103	—	1,193	—	—	1,193
Stock repurchases	—	(551)	—	(7,735)	—	—	(7,735)
Other comprehensive income	—	—	—	—	—	586	586
Stock-based compensation	—	—	—	13,047	—	—	13,047
Tax effect of equity compensation	—	—	—	15,378	—	—	15,378
Taxes paid on stock issued for equity awards	—	—	—	(1,545)	—	—	(1,545)
Net loss	—	—	—	—	(40,074)	—	(40,074)
Purchase of redeemable non-controlling interests	15,038	—	—	—	—	—	—
Balance as of December 31, 2015	$ 15,038	40,954	$ 4	$ 1,490,405	$ (1,027,598)	$ (527)	$ 462,284

See notes to consolidated financial statements.

BLUCORA, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Years ended December 31,		
	2015	2014	2013
Operating Activities:			
Net income (loss)	$ (40,074)	$ (35,547)	$ 24,399
Less: Discontinued operations, net of income taxes	(27,348)	(30,003)	50,060
Net loss from continuing operations	(12,726)	(5,544)	(25,661)
Adjustments to reconcile net loss from continuing operations to cash from operating activities:			
Stock-based compensation	8,694	8,694	8,499
Depreciation and amortization of acquired intangible assets	22,590	22,164	21,973
Excess tax benefits from stock-based award activity	(7,967)	(6,398)	(4,313)
Deferred income taxes	(12,607)	(9,858)	(11,601)
Amortization of premium on investments, net	1,589	3,772	3,007
Amortization of debt issuance costs	1,133	1,059	1,099
Accretion of debt discounts	3,866	3,594	2,826
Loss on debt extinguishment and modification expense	398	—	1,593
Loss on derivative instrument	—	—	11,652
Impairment loss on equity investment in privately-held company	—	—	3,711
Other	203	77	622
Cash provided (used) by changes in operating assets and liabilities:			
Accounts receivable	(1,862)	47	(47)
Other receivables	651	367	1,671
Prepaid expenses and other current assets	(493)	(3,457)	2,407
Other long-term assets	(15)	191	247
Accounts payable	369	(258)	16
Deferred revenue	1,875	1,130	2,609
Accrued expenses and other current and long-term liabilities	10,643	4,548	7,701
Net cash provided by operating activities from continuing operations	16,341	20,128	28,011
Investing Activities:			
Business acquisitions, net of cash acquired	(573,366)	—	(4,892)
Equity investment in privately-held company	—	—	(4,000)
Purchases of property and equipment	(1,512)	(2,037)	(2,352)
Change in restricted cash	150	—	2,491
Proceeds from sales of investments	156,506	28,535	25,812
Proceeds from maturities of investments	296,455	255,994	213,616
Purchases of investments	(214,257)	(336,495)	(351,883)
Net cash used by investing activities from continuing operations	(336,024)	(54,003)	(121,208)
Financing Activities:			
Proceeds from issuance of convertible notes, net of debt issuance costs of $6,432	—	—	194,818
Proceeds from credit facility, net of debt issuance costs and debt discount of $9,730 and $12,000 in 2015	378,270	36,556	6,000
Repayment of credit facility	(51,940)	(56,000)	(10,000)
Debt issuance costs on credit facility	—	—	(28)
Stock repurchases	(7,735)	(38,650)	(10,006)
Excess tax benefits from stock-based award activity	7,967	6,398	4,313
Proceeds from stock option exercises	2,409	6,730	2,826
Proceeds from issuance of stock through employee stock purchase plan	1,193	1,376	1,065
Proceeds from issuance of stock upon warrant exercise	—	—	9,620
Tax payments from shares withheld upon vesting of restricted stock units	(1,545)	(2,875)	(2,405)
Net cash provided (used) by financing activities from continuing operations	328,619	(46,465)	196,203
Net cash provided (used) by continuing operations	8,936	(80,340)	103,006
Net cash provided by operating activities from discontinued operations	14,108	41,406	56,741
Net cash used by investing activities from discontinued operations	(540)	(47,933)	(182,483)

Net cash provided (used) by financing activities from discontinued operations	(8,982)	8,886	74,401
Net cash provided (used) by discontinued operations	4,586	2,359	(51,341)
Effect of exchange rate changes on cash and cash equivalents	(17)	—	—
Net increase (decrease) in cash and cash equivalents	13,505	(77,981)	51,665
Cash and cash equivalents, beginning of period	41,968	119,949	68,284
Cash and cash equivalents, end of period	$ 55,473	$ 41,968	$ 119,949
Non-cash investing and financing activities from continuing operations:			
Purchases of property and equipment through leasehold incentives (investing)	$ —	$ 120	$ 1,006
Cash paid for income taxes from continuing operations	$ 614	$ 684	$ 343
Cash paid for interest from continuing operations	$ 8,994	$ 9,469	$ 6,944

See notes to consolidated financial statements.

BLUCORA, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2015 , 2014 , and 2013

Note 1: The Company and Basis of Presentation

Description of the business: Blucora, Inc. (the " ***Company*** " or " ***Blucora*** ") operates two primary businesses: a Wealth Management business and an online Tax Preparation business. The Wealth Management business consists of the operations of HD Vest, Inc. (" ***HD Vest*** "), which the Company acquired on December 31, 2015 , and, accordingly, has no operating activities recorded in Blucora's 2015 results of operations. HD Vest will be included in Blucora's results of operations beginning on January 1, 2016. HD Vest provides wealth management solutions for financial advisors. The Tax Preparation business consists of the operations of TaxAct, Inc. (" ***TaxAct*** ") and provides digital tax preparation solutions for consumers, small business owners, and tax professionals through its website www.TaxAct.com.

The Company also operates an internet Search and Content business and an E-Commerce business. The Search and Content business operates through the InfoSpace LLC subsidiary (***"InfoSpace"***) and provides search services to users of its owned and operated and distribution partners' web properties, as well as online content through HowStuffWorks (" ***HSW*** "). The E-Commerce business consists of the operations of Monoprice, Inc. (" ***Monoprice*** ") and sells self-branded electronics and accessories to both consumers and businesses primarily through its website www.monoprice.com.

On October 14, 2015, the Company announced its plans to focus on the technology-enabled financial solutions market, referred to as the "Strategic Transformation." The Strategic Transformation consists of the acquisition of HD Vest, which closed on December 31, 2015 (see " Note 3: Business Combinations "), and the intention to divest the Search and Content and E-Commerce businesses in the first half of 2016 (see " Note 4: Discontinued Operations "). Accordingly, the financial condition, results of operations, cash flows, and the notes to financial statements reflect the Search and Content and E-Commerce businesses as discontinued operations for all periods presented. Except for disclosures related to equity and unless otherwise specified, disclosures in these consolidated financial statements reflect continuing operations.

Segments: The Company has two reportable segments: the Wealth Management segment, which is the HD Vest business, and the Tax Preparation segment, which is the TaxAct business. The former Search and Content and E-Commerce segments are included in discontinued operations. The former Search and Content segment is the InfoSpace business, which includes HSW, and the former E-Commerce segment is the Monoprice business. Unless the context indicates otherwise, the Company uses the term " ***Wealth Management*** " to represent services sold through the HD Vest business, the term " ***Tax Preparation*** " to represent services and software sold through the TaxAct business, the term " ***Search and Content*** " to represent search and content services, and the term " ***E-Commerce*** " to represent products sold through the Monoprice business (see " Note 12: Segment Information ").

Principles of consolidation: The consolidated financial statements include the accounts of the Company and its subsidiaries. Intercompany accounts and transactions have been eliminated.

Reclassification: The Company reclassified certain amounts related to discontinued operations and the implementation of new accounting guidance on debt issuance costs and deferred taxes. See " Note 4: Discontinued Operations " and the *"Recent accounting pronouncements"* section of " Note 2: Summary of Significant Accounting Policies ," respectively, for additional information.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ***("GAAP"***) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses, and disclosure of contingencies. Estimates include those used for impairment of goodwill and other intangible assets, useful lives of other intangible assets, acquisition accounting, valuation of investments, valuation of the Warrant and interest rate swap derivatives, revenue recognition, the estimated allowance for sales returns and doubtful accounts, internally developed software, accrued contingencies, stock option valuation, and valuation allowance for deferred tax assets. Actual amounts may differ from estimates.

Seasonality: Blucora's Tax Preparation segment is highly seasonal, with a significant portion of its annual revenue earned in the first four months of the Company's fiscal year. During the third and fourth quarters, the Tax Preparation segment typically reports losses because revenue from the segment is minimal while core operating expenses continue at relatively consistent levels.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Years Ended December 31, 2015, 2014, and 2013

Note 2: Summary of Significant Accounting Policies

Cash equivalents: The Company considers all highly liquid debt instruments with an original maturity of ninety days or less at date of acquisition to be cash equivalents.

Cash segregated under federal or other regulations: Cash segregated under federal and other regulations is held in a special bank account for the exclusive benefit of the Company's wealth management customers.

Short-term investments: The Company principally invests its available cash in fixed-rate debt securities. Fixed-rate debt securities generally include debt instruments issued by the U.S. federal government and its agencies, international governments, municipalities and publicly-held corporations, as well as commercial paper, insured time deposits with commercial banks, and money market funds invested in securities issued by agencies of the U.S., although specific holdings can vary from period to period depending upon the Company's cash requirements. Such investments are included in "Cash and cash equivalents" and "Available-for-sale investments" on the consolidated balance sheets and reported at fair value with unrealized gains and losses included in " Accumulated other comprehensive loss " on the consolidated balance sheets.

The Company reviews its available-for-sale investments for impairment and classifies the impairment of any individual available-for-sale investment as either temporary or other-than-temporary. The differentiating factors between temporary and other-than-temporary impairments are primarily the length of the time and the extent to which the fair value has been less than cost, the financial condition and near-term prospects of the issuer, and the intent and ability of the Company to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value. An impairment classified as temporary is recognized in " Accumulated other comprehensive loss " on the consolidated balance sheets. An impairment classified as other-than-temporary is recognized in " Other loss, net " on the consolidated statements of comprehensive income.

Accounts receivable: Accounts receivable are stated at amounts due from customers net of an allowance for doubtful accounts.

Commissions receivable and payable: Commissions represent amounts generated by HD Vest's financial advisors for their clients' purchases and sales of securities and various investment products. The Company generates two types of commissions: transaction-based sales commissions that occur at the point of sale, as well as trailing commissions for which the Company provides ongoing account support to clients of its financial advisors. The Company records transaction-based sales commissions receivable on a trade-date basis, which is when the Company's performance obligations in generating the commissions have been substantially completed. Trailing commissions receivable is estimated based on a number of factors, including market levels and the amount of trailing commission revenues received in prior periods. A substantial portion of the commissions are ultimately paid to the financial advisors. The Company records an estimate for transaction-based commissions payable based upon the payout rate of the financial advisor generating the accrued commission revenue. The Company records an estimate for trailing commissions payable based upon historical payout ratios.

Property and equipment: Property and equipment are stated at cost. Depreciation is computed under the straight-line method over the following estimated useful lives:

Computer equipment and software	3 years
Data center servers	3 years
Internally-developed software	3 years
Office equipment	7 years
Office furniture	7 years
Leasehold improvements	Shorter of lease term or economic life

The Company capitalizes certain internal-use software development costs, consisting primarily of contractor costs and employee salaries and benefits allocated on a project or product basis. The Company capitalized $0.3 million , $0.3 million , and nil of internal-use software costs in the years ended December 31, 2015 , 2014 , and 2013 , respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Years Ended December 31, 2015, 2014, and 2013

Business combinations and intangible assets including goodwill : The Company accounts for business combinations using the acquisition method. The acquisition-date fair value of total consideration includes cash and contingent consideration. Since the Company is contractually obligated to pay contingent consideration upon the achievement of specified objectives, a contingent consideration liability is recorded at the acquisition date. The Company reviews its assumptions related to the fair value of the contingent consideration liability each reporting period and, if there are material changes, revalues the contingent consideration liability based on the revised assumptions, until such contingency is satisfied through payment upon the achievement of the specified objectives. The change in the fair value of the contingent consideration liability is recognized in "General and administrative" expense on the consolidated statements of comprehensive income for the period in which the fair value changes.

Goodwill is calculated as the excess of the acquisition-date fair value of total consideration over the acquisition-date fair value of net assets, including the amount assigned to identifiable intangible assets, and is assigned to reporting units that are expected to benefit from the synergies of the business combination as of the acquisition date. Reporting units are consistent with reportable segments and include the former Search and Content and E-Commerce segments. Identifiable intangible assets with finite lives are amortized over their useful lives on a straight-line basis. Acquisition-related costs, including advisory, legal, accounting, valuation, and other similar costs, are expensed in the periods in which the costs are incurred. The results of operations of acquired businesses are included in the consolidated financial statements from the acquisition date.

Goodwill and intangible assets impairment: The Company evaluates goodwill and indefinite-lived intangible assets for impairment annually, as of November 30, or more frequently when events or circumstances indicate that impairment may have occurred. As part of the impairment evaluation, the Company may elect to perform an assessment of qualitative factors. If this qualitative assessment indicates that it is more likely than not that the fair value of a reporting unit (for goodwill) or an indefinite-lived intangible asset is less than its carrying value, or if the Company elects to bypass the qualitative assessment, the Company then would proceed with the quantitative impairment test.

The goodwill quantitative impairment test is a two-step process that first compares the carrying values of reporting units to their fair values. If the carrying value of a reporting unit exceeds the fair value, a second step is performed to compute the amount of impairment. This second step determines the current fair values of all assets and liabilities of the reporting unit and then compares the implied fair value of the reporting unit's goodwill to the carrying value of that goodwill. If the carrying value of the reporting unit's goodwill exceeds the implied fair value of the goodwill, an impairment loss is recognized in an amount equal to the excess.

The indefinite-lived intangible asset quantitative impairment test compares the carrying value of the intangible asset to its fair value. If the carrying value of the intangible asset exceeds the fair value, an impairment loss is recognized in an amount equal to the excess.

Fair value typically is estimated using the present value of future discounted cash flows, an income approach. The significant estimates in the discounted cash flow model include the weighted-average cost of capital, long-term rates of revenue growth and/or profitability of our businesses, and working capital effects. The weighted-average cost of capital considers the relevant risk associated with business-specific characteristics and the uncertainty related to each business's ability to achieve the projected cash flows. To validate the reasonableness of the reporting unit fair values, the Company reconciles the aggregate fair values of its reporting units to the aggregate market value of its common stock on the date of valuation, while considering a reasonable acquisition premium. These estimates and the resulting valuations require significant judgment.

Definite-lived intangible assets are reviewed for impairment when events or circumstances indicate that the carrying value of an asset or group of assets may not be recoverable. The determination of recoverability is based on an estimate of pre-tax undiscounted future cash flows, using the Company's best estimates of future net sales and operating expenses, expected to result from the use and eventual disposition of the asset or group of assets over the remaining economic life of the primary asset in the asset group. The Company measures the amount of the impairment as the excess of the asset's carrying value over its fair value.

See " Note 4: Discontinued Operations " for discussion of impairment of goodwill and intangible assets in the fourth quarters of 2015 and 2014.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Years Ended December 31, 2015, 2014, and 2013

Equity method investments: The Company currently holds equity securities and warrants to purchase equity securities, for business and strategic purposes, in companies whose securities are not publicly traded. The equity method is used to account for investments in these companies, if the investment provides the Company with the ability to exercise significant influence over operating and financial policies of the investees. The Company records its proportionate share of the net earnings or losses of equity method investees and a corresponding increase or decrease to the investment balances. The Company evaluates its equity method investments for impairment whenever events or changes in circumstances indicate, in management's judgment, that the carrying value of such investments may have experienced a decline in value (see " Note 13: Other Loss, Net "). The Company's equity investments were carried at a fair value of nil at December 31, 2015 and 2014 .

Debt issuance costs and debt discounts : Debt issuance costs and debt discounts are deferred and amortized as interest expense under the effective interest method over the contractual term of the related debt, adjusted for prepayments in the case of the Company's credit facilities (see " Note 4: Discontinued Operations " and " Note 8: Debt "). Debt issuance costs related to line-of-credit arrangements are recorded in "Prepaid expenses and other current assets, net." All other debt issuance costs and debt discounts are recorded as a direct deduction from the carrying amount of the recognized debt.

Debt issuance costs related to the Company's Convertible Senior Notes (the " ***Notes*** ") issued in 2013 were allocated to the liability and equity components of the instrument. The debt issuance costs allocated to the liability component are amortized to interest expense through the earlier of the maturity date of the Notes or the date of conversion, if any. The debt issuance costs allocated to the equity component of the Notes were recorded as an offset to "Additional paid-in capital" (See " Note 8: Debt ").

Derivative instruments and hedging: The Company recognized derivative instruments as either assets or liabilities at their fair value. The Company recorded changes in the fair value of the derivative instruments as gains or losses either in " Other loss, net " on the consolidated statements of comprehensive income, for those not designated as a hedging instrument (the Warrant - see " Note 10: Stockholders' Equity "), or in " Accumulated other comprehensive loss " on the consolidated balance sheets, for those used in a hedging relationship (the interest rate swap - see " Note 8: Debt "). The Warrant and interest rate swap were settled in the last half of 2013.

The change in the fair value of the Warrant resulted in a loss of $11.7 million for the year ended December 31, 2013 .

The interest rate swap agreement was used for the purpose of minimizing exposure to changes in interest rates and was accounted for as a cash flow hedge. The hedge was perfectly effective through termination, and no ineffectiveness was recorded in the consolidated statements of comprehensive income. The Company had no other swap agreements outstanding at December 31, 2015 .

Fair value of financial instruments : The Company measures its cash equivalents, available-for-sale investments, and derivative instruments at fair value. The Company considers the carrying values of accounts receivable, other receivables, prepaid expenses, other current assets, accounts payable, accrued expenses, and other current liabilities to approximate fair values primarily due to their short-term natures.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Cash equivalents and debt securities are classified within Level 2 of the fair value hierarchy because the Company values its cash equivalents and debt securities utilizing market observable inputs. The contingent consideration liability is related to the Company's acquisition of SimpleTax Software Inc. (" ***SimpleTax*** ") and is classified within Level 3 of the fair value hierarchy because the Company values the liability utilizing significant inputs not observable in the market. Specifically, the Company has determined the fair value of the contingent consideration liability based on a probability-weighted discounted cash flow analysis, which includes assumptions related to estimating revenues, the probability of payment, and the discount rate. The Company accounts for contingent consideration in accordance with applicable accounting guidance pertaining to business combinations, as disclosed in the accounting policy "Business combinations and intangible assets including goodwill."

Redeemable non-controlling interests: Non-controlling interests that are redeemable at the option of the holder and not solely within the control of the issuer are classified outside of stockholders' equity. In connection with the acquisition of HD Vest, management of that business has retained an ownership interest. The Company is party to put and call arrangements with respect to these interests. These put and call arrangements allow HD Vest management to require the Company to purchase their interests or allow the Company to acquire such interests, respectively. The put arrangements do not meet the definition of

a derivative instrument as the put agreements do not provide for net settlement. To the extent that the redemption value of these interests exceeds the value determined by adjusting the carrying value for the subsidiary's attribution of net income (loss), the value of such interests is adjusted to the redemption value with a corresponding adjustment to additional paid-in capital.

Revenue recognition, general: The Company recognizes revenue when all four revenue recognition criteria have been met: persuasive evidence of an arrangement exists, the Company has delivered the product or performed the service, the fee is fixed or determinable, and collectibility is probable. Determining whether and when these criteria have been satisfied involves exercising judgment and using estimates and assumptions that can have an impact on the timing and amount of revenue that the Company recognizes.

The Company evaluates whether revenue should be presented on a gross basis, which is the amount that a customer pays for the service or product, or on a net basis, which is the customer payment less amounts the Company pays to suppliers. In making that evaluation, the Company primarily considers indicators such as whether the Company is the primary obligor in the arrangement and assumes the risks and rewards as a principal in the customer transaction. The evaluation of these factors, which at times can be contradictory, are subject to significant judgment and subjectivity.

Tax preparation revenue recognition : The Company derives service revenue from the sale of tax preparation online services, ancillary service offerings, packaged tax preparation software, and multiple element arrangements that may include a combination of these items. Ancillary service offerings include tax preparation support services, data archive services, e-filing services, bank or reloadable pre-paid debit card services, and other value-added services. This revenue is recorded in the Tax Preparation segment.

The Company’s Tax Preparation segment revenue consists primarily of hosted tax preparation online services, tax preparation support services, data archive services, and e-filing services. The Company recognizes revenue from these services as the services are performed and the four revenue recognition criteria described above are met.

The Company recognizes revenue from the sale of its packaged software when legal title transfers. This is generally when its customers download the software from the Internet or when the software ships.

The bank or reloadable prepaid debit card services are offered to taxpayers as an option to receive their tax refunds in the form of a prepaid bank card or to have the fees for the software and/or services purchased by the customers deducted from their refunds. Other value-added service revenue consists of revenue from revenue sharing and royalty arrangements with third party partners. Revenue for these transactions is recognized when the four revenue recognition criteria described above are met; for some arrangements that is upon filing and for other arrangements that is upon the Company’s determination of when collectibility is probable.

For software and/or services that consist of multiple elements, the Company must: (1) determine whether and when each element has been delivered; (2) determine the fair value of each element using the selling price hierarchy of vendor-specific objective evidence (“ ***VSOE*** ”) of fair value if available, third-party evidence (“ ***TPE*** ”) of fair value if VSOE is not available, and estimated selling price (“ ***ESP*** ”) if neither VSOE nor TPE is available; and (3) allocate the total price among the various elements based on the relative selling price method. Once the Company has allocated the total price among the various elements, it recognizes revenue when the revenue recognition criteria described above are met for each element.

VSOE generally exists when the Company sells the deliverable separately. When VSOE cannot be established, the Company attempts to establish a selling price for each element based on TPE. TPE is determined based on competitor prices for similar deliverables when sold separately. When the Company is unable to establish selling price using VSOE or TPE, it uses ESP in its allocation of arrangement consideration. ESP is the estimated price at which the Company would sell the software or service if it were sold on a stand-alone basis. The Company determines ESP for the software or service by considering multiple factors including, but not limited to, historical stand-alone sales, pricing practices, market conditions, competitive landscape, internal costs, and gross margin objectives.

In some situations, the Company receives advance payments from its customers. The Company defers revenue associated with these advance payments and recognizes the consideration for each element when the Company ships the software or performs the services, as appropriate. Advance payments related to data archive services are deferred and recognized over the related contractual term.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Years Ended December 31, 2015, 2014, and 2013

Cost of revenue: The Company records the cost of revenue for sales of services when the related revenue is recognized. "Services cost of revenue" consists of costs related to the Tax Preparation business, which include royalties, bank product services fees, and costs associated with the operation of its data centers. Data center costs include personnel expenses (salaries, stock-based compensation, benefits, and other employee-related costs), software support and maintenance, bandwidth and hosting costs, and depreciation. Cost of revenue also includes the amortization of acquired technology.

Engineering and technology expenses: Engineering and technology expenses are associated with the research, development, support, and ongoing enhancements of the Company's offerings, which include personnel expenses (salaries, stock-based compensation, benefits, and other employee-related costs), the cost of temporary help and contractors to augment staffing, software support and maintenance, and professional services fees. Research and development expenses were $4.8 million , $2.8 million , and $2.6 million for the years ended December 31, 2015 , 2014 , and 2013 , respectively.

Sales and marketing expenses: Sales and marketing expenses consist principally of marketing expenses associated with the Company's TaxAct business (which include television, radio, online, text, email, and sponsorship channels) and personnel expenses (salaries, stock-based compensation, benefits, and other employee-related costs) for personnel engaged in marketing and selling activities.

Costs for advertising are recorded as expense when the advertisement appears. Advertising expense totaled $35.5 million , $33.4 million , and $32.9 million for the years ended December 31, 2015 , 2014 , and 2013 , respectively. Prepaid advertising costs were $3.9 million and $3.6 million at December 31, 2015 and 2014 , respectively.

General and administrative expenses: General and administrative expenses consist primarily of personnel expenses (salaries, stock-based compensation, benefits, and other employee-related costs), the cost of temporary help and contractors to augment staffing, professional services fees (which include legal, audit, and tax fees), general business development and management expenses, occupancy and general office expenses, business taxes, and insurance expenses.

Stock-based compensation: The Company measures stock-based compensation at the grant date based on the fair value of the award and recognizes it as expense, net of estimated forfeitures, over the vesting or service period, as applicable, of the stock award using the straight-line method. The Company recognizes stock-based compensation over the vesting period for each separately vesting portion of a share-based award as if they were individual share-based awards. The Company estimates forfeitures at the time of grant and revises those estimates, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

Employee benefit plan: The Company has a 401(k) savings plan covering its employees. Eligible employees may contribute through payroll deductions. The Company may match the employees' 401(k) contributions at the discretion of the Company's Board of Directors. Pursuant to a continuing resolution, the Company has matched a portion of the 401(k) contributions made by its employees. The amount contributed by the Company ranges from 1% to 4% of an employee's salary, depending upon the percentage contributed by the employee. For the years ended December 31, 2015 , 2014 , and 2013 , the Company contributed $0.6 million , $0.3 million , and $0.3 million , respectively, for employees.

Leases: The Company leases office space, and these leases are classified as operating leases.

Income taxes : The Company accounts for income taxes under the asset and liability method, under which deferred tax assets, including net operating loss carryforwards, and liabilities are determined based on temporary differences between the book and tax bases of assets and liabilities. The Company periodically evaluates the likelihood of the realization of deferred tax assets and reduces the carrying amount of the deferred tax assets by a valuation allowance to the extent the Company believes a portion will not be realized. The Company considers many factors when assessing the likelihood of future realization of the deferred tax assets, including expectations of future taxable income, recent cumulative earnings experience by taxing jurisdiction, and other relevant factors. There is a wide range of possible judgments relating to the valuation of the Company's deferred tax assets.

The Company records liabilities to address uncertain tax positions that have been taken in previously filed tax returns or that are expected to be taken in a future tax return. The determination for required liabilities is based upon an analysis of each individual tax position, taking into consideration whether it is more likely than not that the tax position, based on technical merits, will be sustained upon examination. The tax benefit to be recognized in the financial statements from such a position is

measured as the largest amount of benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the taxing authority. The difference between the amount recognized and the total tax position is recorded as a liability. The ultimate resolution of these tax positions may be greater or less than the liabilities recorded. The Company recognizes interest and penalties related to uncertain tax positions in interest expense and general and administrative expense, respectively.

Other comprehensive income : Comprehensive income includes net income plus items that are recorded directly to stockholders' equity, including the net change in unrealized gains and losses on available-for-sale investments and certain derivative instruments as well as foreign currency translation adjustments. Included in the net change in unrealized gains and losses are realized gains or losses, including other-than-temporary impairment losses, included in the determination of net income in the period realized. Amounts reclassified out of other comprehensive income into net income were determined on the basis of specific identification.

Foreign currency: The financial position and operating results of the Company's foreign operations are consolidated using the local currency as the functional currency. Assets and liabilities recorded in local currencies are translated at the exchange rate on the balance sheet date, while revenues and expenses are translated at the average exchange rate for the applicable period. Translation adjustments resulting from this process are recorded in " Accumulated other comprehensive loss " on the consolidated balance sheets. The gain or loss on foreign currency transactions, calculated as the difference between the historical exchange rate and the exchange rate at the applicable measurement date, are recorded in " Other loss, net " on the consolidated statements of comprehensive income.

Concentration of credit risk: Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash equivalents, short-term investments, and trade receivables. These instruments are generally unsecured and uninsured. The Company places a significant amount of its cash equivalents and investments with major financial institutions. Accounts receivable are typically unsecured and are derived from revenues earned from customers primarily located in the United States operating in a variety of geographic areas. The Company performs ongoing credit evaluations of its customers and maintains allowances for potential credit losses.

The Company attempts to manage exposure to counterparty credit risk by only entering into agreements with major financial institutions which are expected to be able to fully perform under the terms of the agreement.

Geographic revenue information: Almost all of the Company's revenue for 2015, 2014, and 2013 was generated from customers located in the United States.

Recent accounting pronouncements: Changes to GAAP are established by the Financial Accounting Standards Board (" ***FASB*** ") in the form of accounting standards updates (" ***ASUs*** ") to the FASB's Accounting Standards Codification (" ***ASC*** "). The Company considers the applicability and impact of all recent ASUs. ASUs not listed below were assessed and determined to be either not applicable or are expected to have minimal impact on the Company's consolidated financial position and results of operations.

In May 2014, the FASB issued guidance codified in ASC 606, "Revenue from Contracts with Customers," which amends the guidance in former ASC 605 "Revenue Recognition." The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This will be achieved in a five-step process. Enhanced disclosures also will be required. This guidance is effective on a retrospective basis--either to each reporting period presented or with the cumulative effect of initially applying this guidance recognized at the date of initial application--for annual reporting periods, including interim reporting periods within those annual reporting periods, beginning after December 15, 2017. Earlier application is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within those annual reporting periods. The Company currently is evaluating the impact of this guidance on its consolidated financial statements.

In April 2015, the FASB issued two separate ASUs, both of which are effective for annual reporting periods beginning after December 15, 2015, including interim reporting periods within those annual reporting periods. Earlier adoption is permitted for both ASUs.

- One of these ASUs provides guidance about whether a cloud computing arrangement includes a software license, in which case the software license element should be accounted for consistent with the acquisition of other software licenses; otherwise, the arrangement should be accounted for as a service contract. This guidance may be applied either prospectively or retrospectively. The adoption of this ASU is not expected to have a material impact on the Company's consolidated financial statements.

- The other ASU provides guidance related to the balance sheet presentation of debt issuance costs, in which debt issuance costs should be presented as a direct deduction from the carrying amount of the recognized debt, unless the debt issuance costs relate to line-of-credit arrangements, in which case asset presentation of such debt issuance costs would still be permitted. This guidance must be applied retrospectively. The Company adopted this ASU as of December 31, 2015 on a retrospective basis and reclassified debt issuance costs related to arrangements (that were not line-of-credit arrangements) previously reported in "Other long-term assets" to "Long-term debt, net" in the consolidated balance sheet for the year ended December 31, 2014 (see " Note 8: Debt "). The reclassification had no effect on reported revenues, operating income, or cash flows for the periods presented.

In November 2015, the FASB issued an ASU on the balance sheet classification of deferred taxes, which would require that deferred tax assets and liabilities be classified as non-current in the balance sheet. Current GAAP requires the presentation of deferred tax assets and liabilities as either current or non-current in the balance sheet. This ASU is effective for annual reporting periods beginning after December 15, 2016, including interim reporting periods within those annual reporting periods. Earlier adoption is permitted. The guidance may be applied either prospectively or retrospectively. The Company adopted this ASU as of December 31, 2015 on a retrospective basis and reclassified current deferred tax assets previously reported in "Prepaid expenses and other current assets, net" to the long-term "Deferred tax liability, net" in the consolidated balance sheet for the year ended December 31, 2014. The reclassification had no effect on reported revenues, operating income, or cash flows for the periods presented.

Note 3: Business Combinations

HD Vest: On December 31, 2015 and pursuant to the Purchase Agreement dated October 14, 2015, the Company acquired HD Vest for $611.9 million , which is subject to a final working capital adjustment in the first quarter of 2016. HD Vest provides wealth management solutions for financial advisors and is expected to be synergistic with TaxAct as a result of cross-selling opportunities and an expanded addressable market for both HD Vest and TaxAct. In connection with the acquisition, certain members of HD Vest management rolled over a portion of the proceeds they would have otherwise received at the closing into shares of the acquisition subsidiary through which the Company consummated the purchase of HD Vest. A portion of those shares were sold to the Company in exchange for a promissory note. After giving effect to the rollover shares and related purchase of the rollover shares for the promissory note, the Company indirectly owns 95.52% of HDV Holdings, Inc., with the remaining 4.48% non-controlling interest held collectively by the rollover management members and subject to put and call arrangements exercisable beginning in 2019.

The Company paid $610.5 million , which was funded by a combination of cash on hand and the new TaxAct - HD Vest 2015 credit facility, under which the Company borrowed $400.0 million (see " Note 8: Debt ").

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Years Ended December 31, 2015, 2014, and 2013

Valuations were as follows (in thousands):

		Fair value
Tangible assets acquired, including cash acquired of $38,874	$	77,181
Liabilities assumed		(21,845)
Identifiable net assets acquired	$	55,336
Fair value adjustments for intangible assets:		
Advisor relationships	$	240,300
Sponsor relationships		16,500
Curriculum		800
Proprietary technology		13,600
Trade name		52,500
Fair value of intangible assets acquired	$	323,700
Purchase price allocation:		
Cash paid	$	610,500
Plus: promissory note		6,400
Plus: non-controlling interest		15,038
Less: escrow receivable		(20,000)
Purchase price		611,938
Less: identifiable net assets acquired		(55,336)
Less: fair value of intangible assets acquired		(323,700)
Plus: deferred tax liability related to intangible assets		123,484
Excess of purchase price over net assets acquired, allocated to goodwill	$	356,386

The Company's estimates of the economic lives of the acquired intangible assets are 14 years for the advisor relationships, 18 years for the sponsor relationships, 4 years for the curriculum, 6 years for the proprietary technology, and the trade name is estimated to have an indefinite life. Goodwill consists largely of the increased cross-selling opportunities and expanded addressable markets for both HD Vest and TaxAct, neither of which apply for separate recognition, and is not expected to be deductible for income tax purposes. The primary areas of the acquisition accounting that are not yet finalized relate to final working capital calculation, income and non-income based taxes, certain contingent liability matters, indemnification assets, and residual goodwill.

The promissory note is with the President of HD Vest and will be paid over a three -year period. The current portion was recorded in "Current portion of long-term debt, net," and the long-term portion was recorded in "Long-term debt, net." The note bears interest at a rate of 5% per year, with a principal amount that approximates its fair value. See " Note 8: Debt " for additional information on the "Note payable, related party."

The Purchase Agreement dictates that the Company place into escrow $20.0 million of additional consideration that is contingent upon HD Vest's 2015 earnings performance. The contingent consideration was not achieved; therefore, the amount has been excluded from the purchase price and recorded as a receivable in "Other receivables" for the amount that will be returned to the Company from the escrow agent in the first half of 2016.

The gross contractual amount of accounts receivable, including commissions receivable, acquired was $21.6 million , of which the Company has estimated that substantially all will be collectible.

During 2015, the Company incurred transaction costs of $11.0 million , which were recognized in "General and administrative expense," and $21.8 million in debt discount and issuance-related costs on the new credit facility.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Years Ended December 31, 2015, 2014, and 2013

Pro Forma Financial Information of the HD Vest Acquisition (unaudited):

The financial information in the table below summarizes the combined results of operations of Blucora and HD Vest on a pro forma basis, for the period in which the acquisition occurred and the prior reporting period as though the companies had been combined as of the beginning of each period presented. Pro forma adjustments have been made to include (a) amortization expense on the definite-lived intangible assets identified in this acquisition, debt-related expenses associated with the credit facility that was used to finance the acquisition, and estimated stock-based compensation related to Blucora share-based award grants to HD Vest employees; and to remove (b) acquisition-related transaction costs and debt-related expenses associated with HD Vest's previous debt facility, the latter of which was paid off and closed at the acquisition date. Income taxes also have been adjusted for the effect of these items. The following pro forma financial information is presented for informational purposes only and is not necessarily indicative of the results of operations that would have been achieved had the acquisition occurred at the beginning of each period presented (in thousands):

	Years ended December 31,	
	2015	2014
Revenue	$ 437,447	$ 408,573
Loss from continuing operations	$ (12,793)	$ (16,727)

SimpleTax: On July 2, 2015 , TaxAct acquired all of the equity of SimpleTax, a provider of online tax preparation services for individuals in Canada, for C$2.4 million (with C$ indicating Canadian dollars and amounting to approximately $1.9 million based on the acquisition-date exchange rate) in cash and additional consideration of up to C$4.6 million ($3.7 million) that is contingent upon product availability and revenue performance over a three -year period. The estimated fair value of the contingent consideration as of the acquisition date was C$4.1 million ($3.3 million). See " Note 6: Fair Value Measurements " for additional information related to the fair value measurement of the contingent consideration.

The acquisition of SimpleTax is strategic to TaxAct and intended to expand its operations. SimpleTax is included in the Tax Preparation segment. Intangible assets acquired amounted to approximately C$1.2 million ($0.9 million), consisting of customer relationships and proprietary technology both of which have finite lives. Identifiable net liabilities assumed were not material. Goodwill amounted to C$5.6 million ($4.5 million). Pro forma results of operations have not been presented because the effects of this acquisition were not material to the Company’s consolidated results of operations.

Balance Financial: On October 4, 2013 , TaxAct acquired all of the equity of Balance Financial Inc. (“ ***Balance Financial*** ”), a provider of web and mobile-based financial management software, for $4.9 million in cash which included a $0.7 million escrow amount that was recorded in "Accrued expenses and other current liabilities" for indemnifications related to general representations and warranties. The escrow period expired on April 4, 2015 , at which time the amount, net of any indemnifiable losses, was released. The acquisition of the Balance Financial business is strategic to TaxAct and was funded from the revolving credit loan under the TaxAct 2013 credit facility (see " Note 8: Debt "). Balance Financial is included in the Tax Preparation segment. The identifiable net assets acquired amounted to $1.0 million , consisting primarily of deferred tax assets, and intangible assets acquired amounted to $0.8 million , consisting primarily of internally-developed software and customer relationships both of which have finite lives. Goodwill amounted to $3.1 million . Pro forma results of operations have not been presented because the effects of this acquisition were not material to the Company’s consolidated results of operations.

Note 4: Discontinued Operations

On October 14, 2015, the Company announced its plans to focus on the technology-enabled financial solutions market, as more fully described in " Note 1: The Company and Basis of Presentation ." The Strategic Transformation includes plans to divest the Search and Content and E-Commerce businesses. Financial condition, results of operations, cash flows, and the notes to financial statements reflect the Search and Content and E-Commerce businesses as discontinued operations for all periods presented. Amounts in discontinued operations include previously unallocated depreciation, amortization, stock-based compensation, income taxes, and other corporate expenses that were attributable to the Search and Content and E-Commerce businesses.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Years Ended December 31, 2015, 2014, and 2013

Summarized financial information for discontinued operations is as follows (in thousands):

	Years ended December 31.		
	2015	2014	2013
Major classes of items in net income (loss):			
Revenues	$ 352,077	$ 477,001	$ 482,767
Operating expenses	(391,702)	(490,006)	(404,842)
Other loss, net	(2,673)	(1,316)	(55)
Income (loss) from discontinued operations, before income taxes	(42,298)	(14,321)	77,870
Income tax benefit (expense)	14,950	(15,682)	(27,810)
Discontinued operations, net of income taxes	$ (27,348)	$ (30,003)	$ 50,060

	December 31.	
	2015	2014
Major classes of assets and liabilities:		
Cash	$ 2,158	$ 4,476
Accounts receivable, net of allowance	26,352	30,696
Inventories	43,480	29,246
Other current assets	3,182	7,835
Property and equipment, net	9,824	9,400
Goodwill, net	67,201	116,117
Other intangible assets, net	59,006	76,800
Other long-term assets	460	390
Total assets of discontinued operations	$ 211,663	$ 274,960
Accounts payable	$ 33,295	$ 37,336
Other current liabilities	15,622	15,842
Debt (net of discount and including short-term and long-term portions)	25,000	41,809
Deferred tax liability, net	13,816	19,856
Other long-term liabilities	542	13
Total liabilities of discontinued operations	$ 88,275	$ 114,856

Assets and liabilities of discontinued operations are reported at the lower of carrying value or fair value less cost to sell.

Goodwill, other intangible assets, and debt are discussed further below in the related subsections of this note.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Years Ended December 31, 2015, 2014, and 2013

Business exit costs: In conjunction with the Strategic Transformation, the Company expects to incur business exit costs of approximately $3.0 million , with the majority of these costs recorded in discontinued operations in the fourth quarter of 2015 and in the first quarter of 2016. Some of these costs are contingent or are accelerated upon the sale of the Search and Content and E-Commerce businesses and will be recorded or adjusted, as appropriate, at the time of sale. The following table summarizes the activity in the business exit cost liability (in thousands):

	Employee-Related Costs
Balance as of December 31, 2014	$ —
Charges	994
Payments	—
Adjustments	—
Balance as of December 31, 2015	$ 994

Goodwill and other intangible assets: The Company tested the goodwill and trade names related to Search and Content and E-Commerce for impairment as of October 31, 2015, due to the Company's October 2015 announcement of its plans to divest these businesses and their resulting classification as held for sale. As part of the fair value assessment of these businesses, the Company recorded goodwill impairments of $15.1 million and $33.8 million related to the Search and Content and E-Commerce reporting units, respectively. This adjusted the carrying values of the Search and Content and E-Commerce goodwill to $44.8 million and $22.4 million , respectively. The Company had a goodwill impairment related to E-Commerce in the fourth quarter of 2014 and recorded a charge of $59.4 million . In addition, the Company recorded trade name impairments of $5.9 million and $4.2 million related to the HSW and Monoprice trade names, respectively. This adjusted the carrying values of the HSW and Monoprice trade names to nil and $30.6 million , respectively. The Company had a trade name impairment in the fourth quarter of 2014 related to Monoprice and recorded a charge of $3.2 million .

The impairments of goodwill and intangible assets were recorded in discontinued operations. The Company classified the fair value of its reporting units, goodwill, and trade names within Level 3 because they were valued using discounted cash flows, which have significant unobservable inputs related to the weighted-average cost of capital and forecasts of future cash flows. Refer to " Note 2: Summary of Significant Accounting Policies " for a description of the Company's reporting units and the method used to determine the fair values of those reporting units and the amount of goodwill impairment.

The Company determined that the impairments related to Search and Content and E-Commerce were indicators requiring the review of the Search and Content and E-Commerce long-lived assets for recoverability. The results of this review indicated that the carrying values of the Search and Content and E-Commerce long-lived assets were recoverable.

Debt: The debt in discontinued operations consisted of the following (in thousands):

	December 31, 2015			December 31, 2014		
	Principal amount	Unamortized discount	Net carrying value	Principal amount	Unamortized discount	Net carrying value
Monoprice 2013 credit facility	$ 25,000	$ —	$ 25,000	$ 42,000	$ (191)	$ 41,809

On November 22, 2013 , Monoprice entered into an agreement with a syndicate of lenders for the purposes of post-transaction financing of the Monoprice acquisition and providing future working capital flexibility for Monoprice. The credit facility consists of a $30.0 million revolving credit loan—which includes up to $5.0 million under a letter of credit and up to $5.0 million in swingline loans—and, until repaid in full in 2015 as discussed below, also consisted of a $40.0 million term loan. The final maturity date of the credit facility is November 22, 2018 but will become immediately due and payable upon the sale of Monoprice. Monoprice’s obligations under the credit facility are guaranteed by Monoprice Holdings, Inc. and are secured by the assets of the Monoprice business.

Monoprice initially borrowed $50.0 million under the credit facility, from both the revolving credit loan and the term loan, and had net repayment activity of $17.0 million and $8.0 million in 2015 and 2014 , respectively. Monoprice has the right to permanently reduce, without premium or penalty, the entire credit facility at any time or portions of the credit facility in an

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Years Ended December 31, 2015, 2014, and 2013

aggregate principal amount not less than $1.0 million or any whole multiple of $1.0 million in excess thereof (for swingline loans, the aggregate principal amount is not less than $0.1 million and any whole multiple of $0.1 million in excess thereof). In accordance with this provision, Monoprice repaid the outstanding amount under the term loan in full in 2015, which was included in the net repayment activity for 2015 and resulted in the write-down of the remaining unamortized discount and debt issuance costs related to the term loan. Amounts remained outstanding under the revolving credit loan, which continues to be available to Monoprice through its final maturity date. The interest rate is variable, based upon, at the election of Monoprice, either LIBOR plus a margin of between 2.75% and 3.25% , payable each interest period, or a variable rate plus a margin of between 1.75% and 2.25% , payable quarterly. In each case, the applicable margin within the range depends upon Monoprice's ratio of leverage to EBITDA over the previous four quarters. The credit facility includes financial and operating covenants with respect to certain ratios, including leverage ratio and fixed charge coverage ratio, which are defined further in the agreement. As of December 31, 2015 , Monoprice was in compliance with all of the financial and operating covenants. As of December 31, 2015 , the credit facility's principal amount approximated its fair value as it is a variable rate instrument and the current applicable margin approximates current market conditions.

Note 5: Goodwill and Other Intangible Assets

The following table presents goodwill by reportable segment (in thousands):

	Wealth Management	Tax Preparation	Total
Balance as of December 31, 2013	$ —	$ 188,541	$ 188,541
Additions	—	—	—
Foreign currency translation adjustment	—	—	—
Balance as of December 31, 2014	—	188,541	188,541
Additions	356,386	4,473	360,859
Foreign currency translation adjustment	—	(441)	(441)
Balance as of December 31, 2015	$ 356,386	$ 192,573	$ 548,959

The goodwill additions in 2015 related to the acquisitions of HD Vest (Wealth Management segment) and SimpleTax (Tax Preparation segment), both as described in " Note 3: Business Combinations ."

Intangible assets other than goodwill consisted of the following (in thousands):

	December 31, 2015			December 31, 2014		
	Gross carrying amount	Accumulated amortization	Net	Gross carrying amount	Accumulated amortization	Net
Definite-lived intangible assets:						
Customer relationships	$ 101,681	$ (49,664)	$ 52,017	$ 101,600	$ (37,052)	$ 64,548
Advisor relationships	240,300	—	240,300	—	—	—
Sponsor relationships	16,500	—	16,500	—	—	—
Curriculum	800	—	800	—	—	—
Technology	43,948	(29,270)	14,678	29,800	(21,729)	8,071
Total definite-lived intangible assets	403,229	(78,934)	324,295	131,400	(58,781)	72,619
Indefinite-lived intangible assets:						
Trade names	72,000	—	72,000	19,500	—	19,500
Total	$ 475,229	$ (78,934)	$ 396,295	$ 150,900	$ (58,781)	$ 92,119

There were advisor relationship, sponsor relationship, curriculum, and technology additions in 2015 related to the acquisition of HD Vest (Wealth Management segment). There also were customer relationship and technology additions in 2015 related to the acquisition of SimpleTax (Tax Preparation segment). Both acquisitions are described in " Note 3: Business Combinations ."

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Years Ended December 31, 2015, 2014, and 2013

Amortization expense was as follows (in thousands):

	Years ended December 31.		
	2015	2014	2013
Statement of comprehensive income line item:			
Cost of revenue	$ 7,546	$ 7,450	$ 7,450
Amortization of other acquired intangible assets	12,757	12,742	12,692
Total	$ 20,303	$ 20,192	$ 20,142

Expected amortization of definite-lived intangible assets held as of December 31, 2015 is as follows (in thousands):

	2016	2017	2018	2019	2020	Thereafter	Total
Statement of comprehensive income line item:							
Cost of revenue	$ 804	$ 183	$ 91	$ —	$ —	$ —	$ 1,078
Amortization of other acquired intangible assets	33,262	33,263	33,263	33,263	21,444	168,722	323,217
Total	$ 34,066	$ 33,446	$ 33,354	$ 33,263	$ 21,444	$ 168,722	$ 324,295

The weighted average amortization periods for definite-lived intangible assets are as follows: 49 months for customer relationships, 168 months for advisor relationships, 216 months for sponsor relationships, 48 months for curriculum, 68 months for technology, and 147 months for total definite-lived intangible assets.

Note 6: Fair Value Measurements

The fair value hierarchy of the Company's financial assets carried at fair value and measured on a recurring basis was as follows (in thousands):

		Fair value measurements at the reporting date using		
	December 31, 2015	Quoted prices in active markets using identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Cash equivalents:				
Money market and other funds	$ 5,410	$ —	$ 5,410	$ —
Available-for-sale investments:				
Debt securities:				
U.S. government securities	11,301	—	11,301	—
Total assets at fair value	$ 16,711	$ —	$ 16,711	$ —
Contingent consideration liability	$ 2,951	$ —	$ —	$ 2,951
Total liabilities at fair value	$ 2,951	$ —	$ —	$ 2,951

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Years Ended December 31, 2015, 2014, and 2013

	December 31, 2014	Fair value measurements at the reporting date using: Quoted prices in active markets using identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Cash equivalents:				
Money market and other funds	$ 8,322	$ —	$ 8,322	$ —
Time deposits	1,242	—	1,242	—
Taxable municipal bonds	4,754	—	4,754	—
Total cash equivalents	14,318	—	14,318	—
Available-for-sale investments:				
Debt securities:				
U.S. government securities	100,818	—	100,818	—
International government securities	6,560	—	6,560	—
Commercial paper	24,589	—	24,589	—
Time deposits	30,759	—	30,759	—
Corporate bonds	1,528	—	1,528	—
Taxable municipal bonds	87,366	—	87,366	—
Total debt securities	251,620	—	251,620	—
Total assets at fair value	$ 265,938	$ —	$ 265,938	$ —

The Company also had financial instruments that were not measured at fair value. See " Note 8: Debt " for details.

A reconciliation of changes in Level 3 items measured at fair value on a recurring basis was as follows (in thousands):

Contingent consideration liability:	
Balance as of December 31, 2014	$ —
Initial estimate upon acquisition	3,274
Foreign currency transaction gain	(323)
Balance as of December 31, 2015	$ 2,951

The contingent consideration liability is related to the Company's acquisition of SimpleTax (see " Note 3: Business Combinations "), and the related payments are expected to occur annually beginning in 2017 and continuing through 2019. As of December 31, 2015 , the Company could be required to pay up to an undiscounted amount of $3.3 million . The Company has determined the fair value of the contingent consideration liability based on a probability-weighted discounted cash flow analysis, which includes assumptions related to estimating revenues, the probability of payment (100%), and the discount rate (9%). A decrease in estimated revenues would decrease the fair value of the contingent consideration liability, while a decrease in the discount rate would increase the fair value of the contingent consideration liability. As of December 31, 2015 , the Company recorded the entire contingent consideration liability in "Other long-term liabilities" on the consolidated balance sheets.

The Company had non-recurring Level 3 fair value measurements in 2015 and 2014 related to its reporting units and various intangible assets as part of goodwill and intangible asset impairment reviews. See " Note 4: Discontinued Operations " for details.

The contractual maturities of the debt securities classified as available-for-sale at December 31, 2015 and 2014 were less than one year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Years Ended December 31, 2015, 2014, and 2013

The cost and fair value of available-for-sale investments were as follows (in thousands):

	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
Balance as of December 31, 2015	$ 11,316	$ —	$ (15)	$ 11,301
Balance as of December 31, 2014	$ 251,673	$ 16	$ (69)	$ 251,620

Note 7: Balance Sheet Components

Prepaid expenses and other current assets, net consisted of the following (in thousands):

	December 31,	
	2015	2014
Prepaid expenses	$ 9,893	$ 6,170
Other current assets, net	169	296
Total prepaid expenses and other current assets, net	$ 10,062	$ 6,466

Property and equipment, net consisted of the following (in thousands):

	December 31,	
	2015	2014
Computer equipment and data center	$ 5,383	$ 4,293
Purchased software	2,115	1,124
Internally-developed software	1,999	702
Office equipment	587	480
Office furniture	1,529	1,375
Leasehold improvements and other	6,131	3,821
	17,744	11,795
Accumulated depreciation	(6,915)	(5,550)
	10,829	6,245
Capital projects in progress	479	297
Total property and equipment, net	$ 11,308	$ 6,542

Total depreciation expense was $2.3 million , $2.0 million , and $1.8 million for the years ended December 31, 2015 , 2014 , and 2013 , respectively.

Unamortized internally-developed software was $1.7 million and $0.7 million at December 31, 2015 and 2014 , respectively. The Company recorded depreciation expense for internally-developed software of $0.3 million , $0.2 million , and $0.1 million for the years ended December 31, 2015 , 2014 , and 2013 , respectively.

Accrued expenses and other current liabilities consisted of the following (in thousands):

	December 31,	
	2015	2014
Salaries and related expenses	$ 7,581	$ 2,436
Accrued interest on Notes (see Note 8)	2,138	2,138
Other	3,287	2,653
Total accrued expenses and other current liabilities	$ 13,006	$ 7,227

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Years Ended December 31, 2015, 2014, and 2013

As part of the Strategic Transformation, the Company announced the upcoming departure of its chief executive officer once a permanent successor has been identified. "Salaries and related expenses" included $1.5 million of employee separation costs pursuant to the chief executive officer's employment agreement, to be paid within 60 days of his last day of employment.

Note 8: Debt

The Company's debt consisted of the following (in thousands):

	December 31, 2015				December 31, 2014			
		Unamortized				Unamortized		
	Principal amount	Discount	Debt issuance costs	Net carrying value	Principal amount	Discount	Debt issuance costs	Net carrying value
TaxAct - HD Vest 2015 credit facility	$ 400,000	$ (12,000)	$ (8,919)	$ 379,081	$ —	$ —	$ —	$ —
TaxAct 2013 credit facility	—	—	—	—	51,940	—	—	51,940
Convertible Senior Notes	201,250	(12,207)	(3,125)	185,918	201,250	(16,073)	(4,114)	181,063
Note payable, related party	6,400	—	—	6,400	—	—	—	—
Total debt	$ 607,650	$ (24,207)	$ (12,044)	$ 571,399	$ 253,190	$ (16,073)	$ (4,114)	$ 233,003

TaxAct - HD Vest 2015 credit facility: On December 31, 2015 , TaxAct and HD Vest entered into an agreement with a syndicate of lenders for the purposes of transaction financing of the HD Vest acquisition and providing future working capital flexibility for TaxAct and HD Vest. The credit facility consists of a $25.0 million revolving credit loan--which includes a letter of credit and swingline loans--and a $400.0 million term loan for an aggregate $425.0 million credit facility. The final maturity dates of the revolving credit loan and term loan are December 31, 2020 and December 31, 2022 , respectively. Obligations under the credit facility are guaranteed by TaxAct Holdings, Inc. and HD Vest Holdings, Inc. and are secured by the equity of the TaxAct and HD Vest businesses. While Blucora is not a party to the agreement, it has guaranteed the obligations of TaxAct and HD Vest under the credit facility, secured by its equity in TaxAct Holdings, Inc.

TaxAct and HD Vest borrowed $400.0 million under the term loan. Principal payments on the term loan are payable quarterly and will be between 0.625% and 1.875% of outstanding principal, depending upon TaxAct and HD Vest's combined net leverage of EBITDA ratio. The interest rate on the term loan is variable at the London Interbank Offered Rate (***"LIBOR"***), subject to a floor of 1.00% , plus a margin of 6.00% , payable at the end of each interest period.

TaxAct and HD Vest may borrow under the revolving credit loan in an aggregate principal amount not less than $2.0 million or any whole multiple of $1.0 million in excess thereof (for swingline loans, the aggregate principal amount is not less than $0.5 million or any whole multiple of $0.1 million in excess thereof). Principal payments on the revolving credit loan are payable at maturity . The interest rate on the revolving credit loan is variable, with initial draws at LIBOR plus a margin of 5.00% . Subsequent draws on the revolving credit loan also have variable interest rates, based upon LIBOR plus a margin of between 2.75% and 5.00% . In each case, the applicable margin within the range depends upon TaxAct and HD Vest's combined net leverage to EBITDA ratio over the previous four quarters. Interest is payable at the end of each interest period.

TaxAct and HD Vest have the right to permanently reduce, without premium or penalty, the entire credit facility at any time or portions of the credit facility in an aggregate principal amount not less than $5.0 million or any whole multiple of $1.0 million in excess thereof, except for prepayments through December 31, 2016 which carry a premium of 1.00% of the total principal amount outstanding just prior to prepayment. In addition, the credit facility includes financial and operating covenants, including a net leverage to EBITDA ratio, which are defined further in the agreement.

As of December 31, 2015 , the credit facility's principal amount approximated its fair value as it is a variable rate instrument and the current applicable margin approximates current market conditions.

TaxAct 2013 credit facility: On August 30, 2013 , TaxAct entered into an agreement with a syndicate of lenders to refinance a 2012 credit facility on more favorable terms. Under that 2012 credit facility, TaxAct borrowed $100.0 million , of which $25.5 million was repaid in 2012, $10.0 million in April 2013, and the remaining $64.5 million in August 2013, the latter

amount in connection with the refinancing of this credit agreement. The interest rate was variable. The Company hedged a portion of the interest rate risk through an interest rate swap, which was terminated at break-even on September 10, 2013 .

TaxAct initially borrowed $71.4 million under the 2013 credit facility and had net repayment activity of $51.9 million and $19.4 million in 2015 and 2014 , respectively. TaxAct had the right to permanently reduce, without premium or penalty, the entire credit facility at any time. In accordance with this provision, TaxAct repaid the outstanding amount under the credit facility in full in 2015, at which point the credit facility was closed and the remaining related debt issuance costs of $0.4 million were written off.

On August 30, 2013, the Company performed an analysis by creditor to determine whether the refinancing would be recorded as an extinguishment or a modification of debt and, as a result of this analysis, recognized a loss on partial extinguishment of debt comprised of the following (in thousands):

Refinancing fees paid to creditors, including arrangement fee, classified as extinguishment	$	567
Deferred financing costs on extinguished debt		726
Debt discount on extinguished debt		300
Total	$	1,593

Convertible Senior Notes: On March 15, 2013 , the Company issued $201.25 million aggregate principal amount of its Convertible Senior Notes (the " ***Notes*** "), inclusive of the underwriters' exercise in full of their over-allotment option of $26.25 million . The Notes mature on April 1, 2019 , unless earlier purchased, redeemed, or converted in accordance with the terms, and bear interest at a rate of 4.25% per year, payable semi-annually in arrears beginning on October 1, 2013 . The Company received net proceeds from the offering of approximately $194.8 million after adjusting for debt issuance costs, including the underwriting discount.

The Notes were issued under an indenture dated March 15, 2013 (the " ***Indenture*** ") by and between the Company and The Bank of New York Mellon Trust Company, N.A., as Trustee. There are no financial or operating covenants relating to the Notes.

Beginning July 1, 2013 and prior to the close of business on September 28, 2018, holders may convert all or a portion of the Notes at their option, in multiples of $1,000 principal amount, under the following circumstances:

- During any fiscal quarter commencing July 1, 2013, if the last reported sale price of the Company's common stock for at least 20 trading days during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day. As of December 31, 2015 and 2014 , the Notes were not convertible .

- During the five business day period after any five consecutive trading day period (the ***"measurement period"***) in which the trading price per $1,000 principal amount of the Notes for each trading day of the measurement period was less than 98% of the product of the last reported sales price of the Company's common stock and the conversion rate on each trading day.

- If the Company calls any or all of the Notes for redemption.

- Upon the occurrence of specified corporate events, including a merger or a sale of all or substantially all of the Company's assets.

The convertibility of the Notes is determined at the end of each reporting period. If the Notes are determined to be convertible, they remain convertible until the end of the subsequent quarter and are classified in "Current liabilities" on the balance sheet; otherwise, they are classified in "Long-term liabilities." Depending upon the price of the Company's common stock or the trading price of the Notes within the reporting period, pursuant to the first two criteria listed above, the Notes could be convertible during one reporting period but not convertible during a comparable reporting period.

On or after October 1, 2018 and until the close of business on March 28, 2019 , holders may convert their Notes, in multiples of $1,000 principal amount, at the option of the holder.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Years Ended December 31, 2015, 2014, and 2013

The conversion ratio for the Notes is initially 0.0461723 , equivalent to an initial conversion price of approximately $21.66 per share of the Company's common stock. The conversion ratio is subject to customary adjustment for certain events as described in the Indenture.

At the time the Company issued the Notes, the Company was only permitted to settle conversions with shares of its common stock. The Company received shareholder approval at its annual meeting in May 2013 to allow for "flexible settlement," which provided the Company with the option to settle conversions in cash, shares of common stock, or any combination thereof. The Company's intention is to satisfy conversion of the Notes with cash for the principal amount of the debt and shares of common stock for any related conversion premium.

Beginning April 6, 2016 , the Company may, at its option, redeem for cash all or part of the Notes plus accrued and unpaid interest. If the Company undergoes a fundamental change (as described in the Indenture), holders may require the Company to repurchase for cash all or part of their Notes in principal amounts of $1,000 or an integral multiple thereof. The fundamental change repurchase price will be equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest. However, if a fundamental change occurs and a holder elects to convert the Notes, the Company will, under certain circumstances, increase the applicable conversion rate for the Notes surrendered for conversion by a number of additional shares of common stock based on the date on which the fundamental change occurs or becomes effective and the price paid per share of the Company's common stock in the fundamental change as specified in the Indenture. The Strategic Transformation does not qualify as a fundamental change under the Indenture.

The Notes are unsecured and unsubordinated obligations of the Company and rank senior in right of payment to any of the Company's indebtedness that is expressly subordinated in right of payment to the Notes, and equal in right of payment to any of the Company's existing and future unsecured indebtedness that is not subordinated. The Notes are effectively junior in right of payment to any of the Company's secured indebtedness (to the extent of the value of assets securing such indebtedness) and structurally junior to all existing and future indebtedness and other liabilities, including trade payables, of the Company's subsidiaries. The Indenture does not limit the amount of debt that the Company or its subsidiaries may incur.

The Notes may be settled in combination of cash or shares of common stock given the flexible settlement option. As a result, the Notes contain liability and equity components, which were bifurcated and accounted for separately. The liability component of the Notes, as of the issuance date, was calculated by estimating the fair value of a similar liability issued at a 6.5% effective interest rate, which was determined by considering the rate of return investors would require in the Company's debt structure. The amount of the equity component was calculated by deducting the fair value of the liability component from the principal amount of the Notes, resulting in the initial recognition of $22.3 million as the debt discount recorded in additional paid-in capital for the Notes. The carrying amount of the Notes is being accreted to the principal amount over the remaining term to maturity, and the Company is recording corresponding interest expense. The Company incurred debt issuance costs of $6.4 million related to the Notes and allocated $5.7 million to the liability component of the Notes. These costs are being amortized to interest expense over the six-year term of the Notes or the date of conversion, if any.

The following table sets forth total interest expense related to the Notes (in thousands):

	Years ended December 31,		
	2015	2014	2013
Contractual interest expense (Cash)	$ 8,553	$ 8,553	$ 6,795
Amortization of debt issuance costs (Non-cash)	989	920	684
Accretion of debt discount (Non-cash)	3,866	3,594	2,674
Total interest expense	$ 13,408	$ 13,067	$ 10,153
Effective interest rate of the liability component	7.32%	7.32%	7.32%

The fair value of the principal amount of the Notes as of December 31, 2015 was $167.8 million , based on the last quoted active trading price, a Level 1 fair value measurement, as of that date.

Note payable, related party: The note payable is with the President of HD Vest and arose in connection with the acquisition of HD Vest. Certain members of HD Vest management rolled over a portion of the proceeds they would have otherwise received at the acquisition's closing into shares of the acquisition subsidiary through which the Company

consummated the purchase of HD Vest. The President of HD Vest sold a portion of his shares to the Company in exchange for the note. See " Note 3: Business Combinations " for additional information on the acquisition of HD Vest. The note will be paid over a three -year period, with 50% paid in year one, 40% paid in year two, and 10% paid in year three. The note bears interest at a rate of 5% per year, with a principal amount that approximates its fair value.

Note 9: Commitments and Contingencies

The Company's contractual commitments are as follows for years ending December 31 (in thousands):

	2016	2017	2018	2019	2020	Thereafter	Total
Operating lease commitments	$ 3,871	$ 3,945	$ 4,026	$ 4,105	$ 3,795	$ 6,098	$ 25,840
Purchase commitments	3,082	3,002	2,530	—	—	—	8,614
Debt commitments	33,200	32,560	20,640	221,250	10,000	290,000	607,650
Interest on Notes	8,553	8,553	8,553	4,277	—	—	29,936
Acquisition-related contingent consideration liability	—	723	962	1,266	—	—	2,951
Total	$ 48,706	$ 48,783	$ 36,711	$ 230,898	$ 13,795	$ 296,098	$ 674,991

Operating lease commitments: The Company has non-cancelable operating leases for its facilities. The leases run through 2023 , and some of the leases have clauses for optional renewal. Rent expense under operating leases totaled $1.2 million , $1.2 million , and $0.9 million for the years ended December 31, 2015 , 2014 , and 2013 , respectively.

Purchase commitments: The Company's purchase commitments consist primarily of non-cancelable service agreements for its data centers and a sponsorship marketing agreement.

Debt commitments and interest on Notes: The Company’s debt commitments are based upon contractual payment terms and consist of the outstanding principal related to the TaxAct - HD Vest credit facility, the Notes, and the note payable with related party. The Company may repay the amounts outstanding under the TaxAct - HD Vest credit facility before its maturity date, depending upon the cash generated by the businesses, and under the Notes based upon holders exercising their conversion option. For further detail regarding the credit facility, the Notes, and the note payable with related party, see " Note 8: Debt ."

Acquisition-related contingent consideration liability: The contingent consideration liability is related to the Company's acquisition of SimpleTax (see " Note 3: Business Combinations " and " Note 6: Fair Value Measurements "), and the related payments are expected to occur annually beginning in 2017 and continuing through 2019.

Collateral pledged: The Company has pledged a portion of its cash as collateral for certain of its property lease-related banking arrangements. At December 31, 2015 , the total amount of collateral pledged under these standby letters of credit was $0.7 million .

Off-balance sheet arrangements: The Company has no off-balance sheet arrangements other than operating leases.

Litigation: From time to time, the Company is subject to various legal proceedings or claims that arise in the ordinary course of business. Following is a brief description of the more significant legal proceedings. The Company accrues a liability when management believes that it is both probable that a liability has been incurred and the amount of loss can be reasonably estimated. Although the Company believes that resolving claims against it, individually or in aggregate, will not have a material adverse impact on its financial statements, these matters are subject to inherent uncertainties.

On March 5, 2015, Remigius Shatas filed a shareholder derivative action against Andrew Snyder, a director of the Company, certain companies affiliated with Mr. Snyder, as well as nominal defendant Blucora, in the Superior Court of the State of Washington in and for King County. Although the Company is a nominal defendant, the plaintiff purports to bring the action on behalf of the Company and thus does not seek monetary damages from the Company. Instead, the plaintiff alleges improper use of inside information in certain sales of the Company's common stock and seeks to recover from Andrew Snyder and those companies affiliated with Mr. Snyder profits resulting from those allegedly improper sales. On May 15, 2015, the

court granted the Company's motion to dismiss the Complaint based on the plaintiffs' failure to file this matter in the proper court. Subsequently, the plaintiff moved for reconsideration of the Superior Court's decision to grant the motion to dismiss, and on June 5, 2015, that motion for reconsideration was denied. On June 30, 2015, the plaintiff filed a Notice of Appeal with the Superior Court, indicating plaintiff's intention to appeal to the Washington Court of Appeals, Division I. On September 14, 2015, the plaintiff filed a motion with the Washington Court of Appeals to add an additional plaintiff, which the court subsequently denied on October 19, 2015. Plaintiff filed its appellant brief on September 25, 2015, and the Company filed its response on October 26, 2015, as well as a Motion on the Merits to Affirm on the grounds that the plaintiff lacked standing at all points relevant to the lawsuit. The plaintiff filed a reply brief in support of its Appeal on November 25, 2015. The plaintiff filed its opposition to the Company's Motion on the Merits on November 5, 2015. The court denied the Company's motion on November 9, 2015, on procedural, not substantive, grounds. The Company refiled the substance of the motion in a Motion to Dismiss Appeal on November 10, 2015, and the plaintiff filed its opposition on December 1, 2015. The Company filed a reply brief on December 7, 2015. The Company awaits the court's decision with respect to the plaintiff's appeal as well as the Company's motion to dismiss.

The Company has entered into indemnification agreements in the ordinary course of business with its officers and directors and may be obligated to advance payment of legal fees and costs incurred by the defendants pursuant to the Company's obligations under these indemnification agreements and applicable Delaware law.

Note 10: Stockholders' Equity

Stock incentive plan: The Company may grant non-qualified stock options, stock, RSUs, and stock appreciation rights to employees, non-employee directors, and consultants.

The Company granted options and RSUs during 2015 , 2014 , and 2013 under its Restated 1996 Flexible Stock Incentive Plan. The Company also began granting options and RSUs during 2015 under the Blucora, Inc. 2015 Incentive Plan. Options and RSUs generally vest over a period of three years, with one-third vesting one year from the date of grant and the remainder vesting ratably thereafter on a semi-annual basis , and expire seven years from the date of grant. There are a few exceptions to this vesting schedule, which provide for vesting at different rates or based on achievement of performance or market targets.

The Company issues new shares upon the exercise of options and upon the vesting of RSUs. If an option or RSU is surrendered or otherwise unused, the related shares will continue to be available.

Warrant: On August 23, 2011, the Company issued a warrant to purchase 1.0 million shares of Blucora common stock, exercisable at a price of $9.62 per share (the ***"Warrant"***). The Warrant originally was considered stock-based compensation and was scheduled to expire on August 23, 2014 , but the completion of the TaxAct acquisition on January 31, 2012 was an event under the Warrant's terms that extended the expiration date to the earlier of August 23, 2017 or the effective date of a change of control of Blucora. Subsequent to the extension, the Company treated the award as a derivative instrument (see " Note 2: Summary of Significant Accounting Policies "). The Warrant's fair value was determined each reporting period with gains or losses related to the change in fair value recorded in " Other loss, net " in the amount of $11.7 million for the year ended December 31, 2013. On November 21, 2013, the Warrant was exercised and 1.0 million shares of Blucora common stock were purchased for an aggregate exercise price of $9.6 million . The related derivative instrument liability balance of $20.2 million was settled through "Additional paid-in capital."

*1998 Employee Stock Purchase Plan (" **ESPP** "):* The ESPP permits eligible employees to contribute up to 15% of their base earnings toward the twice-yearly purchase of Company common stock, subject to an annual maximum dollar amount. The purchase price is the lesser of 85% of the fair market value of common stock on the first day or on the last day of an offering period. An aggregate of 1.4 million shares of common stock are authorized for issuance under the ESPP. Of this amount, 0.2 million shares were available for issuance. The Company issues new shares upon purchase through the ESPP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Years Ended December 31, 2015, 2014, and 2013

Stock repurchase program: In February 2013, the Company's Board of Directors approved a stock repurchase program whereby the Company may purchase its common stock in open-market transactions. In May 2014, the Board of Directors increased the repurchase authorization, such that the Company may repurchase up to $85.0 million of its common stock, and extended the repurchase period through May 2016. Repurchased shares will be retired and resume the status of authorized but unissued shares of common stock. The Company had the following open-market share purchase activity, exclusive of purchase and administrative costs (in thousands, except per share data):

	Total Number of Shares Purchased	Average Price Paid per Share	Total Cost
Year ended December 31, 2015	551	$ 14.01	$ 7,713
Year ended December 31, 2014	2,289	$ 16.85	$ 38,558
Year ended December 31, 2013	418	$ 23.95	$ 9,990

As of December 31, 2015 , the Company may repurchase up to an additional $28.7 million of its common stock under the repurchase program.

Other comprehensive income: The following table provides information about activity in other comprehensive income (in thousands):

	Unrealized gain (loss) on investments	Foreign currency translation adjustment	Unrealized gain (loss) on derivative instrument	Total
Balance as of December 31, 2012	$ (10)	$ —	$ (266)	$ (276)
Other comprehensive income	10	—	266	276
Balance as of December 31, 2013	—	—	—	—
Other comprehensive loss	(1,113)	—	—	(1,113)
Balance as of December 31, 2014	(1,113)	—	—	(1,113)
Other comprehensive income (loss)	1,103	(517)	—	586
Balance as of December 31, 2015	$ (10)	$ (517)	$ —	$ (527)

Note 11: Stock-Based Compensation

A summary of the general terms of stock options and RSUs at December 31, 2015 was as follows:

Number of shares authorized for awards	12,040,839
Options and RSUs outstanding	6,403,859
Options and RSUs expected to vest	5,956,538
Options and RSUs available for grant	5,285,862

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Years Ended December 31, 2015, 2014, and 2013

The following activity occurred under the Company's stock incentive plans:

	Options	Weighted average exercise price	Intrinsic value (in thousands)	Weighted average remaining contractual term (in years)
Stock options:				
Outstanding December 31, 2014	4,343,825	$ 14.21		
Granted	1,794,763	$ 13.34		
Forfeited	(378,509)	$ 16.97		
Expired	(115,745)	$ 17.49		
Exercised	(248,574)	$ 9.69		
Outstanding December 31, 2015	5,395,760	$ 13.87	$ 1,512	4.3
Exercisable December 31, 2015	3,004,907	$ 13.00	$ 1,512	3.0
Vested and expected to vest after December 31, 2015	5,093,188	$ 13.85	$ 1,512	4.2

	Stock units	Weighted average grant date fair value	Intrinsic value (in thousands)	Weighted average remaining contractual term (in years)
RSUs:				
Outstanding December 31, 2014	753,422	$ 17.88		
Granted	837,419	$ 13.67		
Forfeited	(200,676)	$ 16.55		
Vested	(382,066)	$ 17.65		
Outstanding December 31, 2015	1,008,099	$ 14.73	$ 9,879	1.0
Expected to vest after December 31, 2015	863,350	$ 14.77	$ 8,461	0.9

Supplemental information is presented below:

	Years ended December 31,		
	2015	2014	2013
Stock options:			
Weighted average grant date fair value per share granted	$ 3.65	$ 5.67	$ 5.05
Total intrinsic value of options exercised (in thousands)	$ 1,072	$ 3,600	$ 2,626
Total fair value of options vested (in thousands)	$ 4,416	$ 4,000	$ 2,410
RSUs:			
Weighted average grant date fair value per unit granted	$ 13.67	$ 18.44	$ 18.86
Total intrinsic value of units vested (in thousands)	$ 5,437	$ 8,315	$ 7,986
Total fair value of units vested (in thousands)	$ 6,742	$ 6,560	$ 5,163

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Years Ended December 31, 2015, 2014, and 2013

The Company included the following amounts for stock-based compensation expense, which related to stock options, RSUs, and the ESPP, in the consolidated statements of comprehensive income (in thousands):

	Years ended December 31,		
	2015	2014	2013
Cost of revenue	$ 96	$ 254	$ 459
Engineering and technology	484	516	567
Sales and marketing	771	829	671
General and administrative	7,343	7,095	6,802
Total in continuing operations	8,694	8,694	8,499
Discontinued operations	4,402	3,190	3,028
Total	$ 13,096	$ 11,884	$ 11,527
Total excluded and capitalized as part of internal-use software	$ 135	$ 106	$ 115

In May 2012, the Company granted stock options to certain Blucora employees who performed acquisition-related services. The vesting of such options were predicated on completing “qualified acquisitions” under the terms of the options. The completion of the HSW acquisition on May 30, 2014 and the Monoprice acquisition on August 22, 2013 constituted qualified acquisitions under such terms, resulting in charges of $0.3 million and $0.5 million to stock-based compensation expense (reflected in “General and administrative” expense) in 2014 and 2013 , respectively.

To estimate stock-based compensation expense, the Company used the Black-Scholes-Merton valuation method with the following assumptions for stock options granted:

	Years ended December 31,		
	2015	2014	2013
Risk-free interest rate	0.21% - 1.33%	0.11% - 1.31%	0.25% - 1.06%
Expected dividend yield	0%	0%	0%
Expected volatility	34% - 40%	35% - 43%	40% - 46%
Expected life	3.0 years	3.0 years	3.2 years

The risk-free interest rate was based on the implied yield available on U.S. Treasury issues with an equivalent remaining term. The Company last paid a dividend in 2008 but does not expect to pay recurring dividends. The expected volatility was based on historical volatility of the Company’s stock for the related expected life of the award. The expected life of the award was based on historical experience, including historical post-vesting termination behavior.

As of December 31, 2015 , total unrecognized stock-based compensation expense related to unvested stock awards is as follows:

	Expense (in thousands)	Weighted average period over which to be recognized (in years)
Stock options	$ 2,566	1.2
RSUs	2,753	1.2
Total for continuing operations	$ 5,319	1.2

Note 12: Segment Information

The Company has two reportable segments: the Wealth Management segment and the Tax Preparation segment. The Wealth Management segment consists of the HD Vest business, which was acquired on December 31, 2015 , and, accordingly, has no operating activities recorded in Blucora's 2015 results of operations. HD Vest will be included in Blucora's results of operations beginning on January 1, 2016. As a result of the Strategic Transformation and planned divestitures of the Search and Content and E-Commerce segments, those former segments are included in discontinued operations. The Company’s chief

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Years Ended December 31, 2015, 2014, and 2013

executive officer is its chief operating decision maker and reviews financial information presented on a disaggregated basis. This information is used for purposes of allocating resources and evaluating financial performance.

The Company does not allocate certain general and administrative costs (including personnel and overhead costs), stock-based compensation, depreciation, and amortization of intangible assets to the reportable segments. Such amounts are reflected in the table under the heading "Corporate-level activity." In addition, the Company does not allocate other loss, net and income taxes to the reportable segments. The Company does not account for, and does not report to management, its assets or capital expenditures by segment other than goodwill and intangible assets used for impairment analysis purposes.

Information on the reportable segments currently presented to the Company's chief operating decision maker and a reconciliation to consolidated net income are presented below (in thousands):

	Years ended December 31,		
	2015	2014	2013
Revenue:			
Tax Preparation	$ 117,708	$ 103,719	$ 91,213
Operating income (loss):			
Tax Preparation	56,984	49,696	40,599
Corporate-level activity	(61,791)	(45,093)	(44,077)
Total operating income (loss)	(4,807)	4,603	(3,478)
Other loss, net	(12,542)	(13,489)	(29,568)
Loss from continuing operations before income taxes	(17,349)	(8,886)	(33,046)
Income tax benefit	4,623	3,342	7,385
Loss from continuing operations	(12,726)	(5,544)	(25,661)
Discontinued operations, net of income taxes	(27,348)	(30,003)	50,060
Net income (loss)	$ (40,074)	$ (35,547)	$ 24,399

Note 13: Other Loss, Net

" Other loss, net " consisted of the following (in thousands):

	Years ended December 31,		
	2015	2014	2013
Interest income	$ (609)	$ (355)	$ (300)
Interest expense (see Note 8)	9,044	9,476	9,266
Amortization of debt issuance costs (see Note 8)	1,133	1,059	1,099
Accretion of debt discounts (see Note 8)	3,866	3,594	2,826
Loss on debt extinguishment and modification expense (see Note 8)	398	—	1,593
Loss on derivative instrument (see Notes 2 and 10)	—	—	11,652
Impairment of equity investment in privately-held company	—	—	3,711
Gain on third party bankruptcy settlement	(1,128)	(286)	(539)
Other	(162)	1	260
Other loss, net	$ 12,542	$ 13,489	$ 29,568

In 2013, in connection with the Company's review of its equity method investments for other-than-temporary impairment, the Company determined that its equity investment in a privately-held company had experienced an other-than-temporary decline in value, due to recurring losses from operations, significant personnel reductions, and a change in the underlying business model. Accordingly, the Company wrote down the $3.7 million carrying value of the investment to zero , resulting in a loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Years Ended December 31, 2015, 2014, and 2013

The gain on third party bankruptcy settlement related to amounts received in connection with ongoing distributions from the Lehman Brothers estate, of which the Company is a creditor.

Note 14: Income Taxes

Income tax benefit consisted of the following (in thousands):

	Years ended December 31,		
	2015	2014	2013
Current:			
U.S. federal	$ 7,470	$ 6,306	$ 4,175
State	514	210	41
Total current expense	7,984	6,516	4,216
Deferred:			
U.S. federal	(12,004)	(9,800)	(10,902)
State	(538)	(58)	(699)
Foreign	(65)	—	—
Total deferred benefit	(12,607)	(9,858)	(11,601)
Income tax benefit	$ (4,623)	$ (3,342)	$ (7,385)

Income tax benefit differed from the amount computed by applying the statutory federal income tax rate of 35% as follows (in thousands):

	Years ended December 31,		
	2015	2014	2013
Income tax benefit at the statutory federal income tax rate	$ (6,072)	$ (3,110)	$ (11,566)
State income taxes, net of federal benefit	(15)	99	(363)
Deductible domestic manufacturing costs	(787)	(594)	(395)
Non-deductible compensation	27	569	221
Non-deductible acquisition-related transaction costs (see Note 3)	2,524	—	—
Non-deductible loss on derivative instrument (the Warrant, see Note 10)	—	—	4,078
Change in liabilities for uncertain tax positions	—	(72)	(201)
Change in valuation allowance on unrealized capital losses	(223)	(117)	1,108
Other	(77)	(117)	(267)
Income tax benefit	$ (4,623)	$ (3,342)	$ (7,385)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Years Ended December 31, 2015, 2014, and 2013

The tax effect of temporary differences and net operating loss carryforwards that gave rise to the Company's deferred tax assets and liabilities were as follows (in thousands):

	December 31,	
	2015	2014
Deferred tax assets:		
Net operating loss carryforwards	$ 182,599	$ 199,635
Accrued compensation	12,519	1,151
Deferred revenue	3,845	2,738
Tax credit carryforwards	10,797	10,370
Stock-based compensation	8,416	6,800
Basis difference in discontinued E-Commerce business	33,871	—
Other, net	6,720	5,471
Total gross deferred tax assets	258,767	226,165
Valuation allowance	(217,452)	(211,865)
Deferred tax assets, net of valuation allowance	41,315	14,300
Deferred tax liabilities:		
Depreciation and amortization	(140,035)	(28,815)
Discount on Notes	(4,422)	(5,767)
Other, net	(378)	—
Total gross deferred tax liabilities	(144,835)	(34,582)
Net deferred tax liabilities	$ (103,520)	$ (20,282)

At December 31, 2015 , the Company evaluated the need for a valuation allowance for certain deferred tax assets based upon its assessment of whether it is more likely than not that the Company will generate sufficient future taxable income necessary to realize the deferred tax benefits. The Company maintains a valuation allowance against its deferred tax assets that are capital in nature to the extent that it is more likely than not that the related deferred tax benefit will not be realized. The Company has deferred tax assets related to net operating losses that arose from excess tax benefits for stock-based compensation and minimum tax credits that arose from the corresponding alternative minimum tax paid for those excess tax benefits. The Company must apply a valuation allowance against these equity-based deferred tax assets until the Company utilizes the deferred tax assets to reduce taxes payable. Accordingly, the Company does not consider these deferred tax assets when evaluating changes in the valuation allowance.

The changes in the valuation allowance for deferred tax assets are shown below (in thousands):

	Years ended December 31,	
	2015	2014
Balance at beginning of year	$ 211,865	$ 235,730
Net changes to deferred tax assets, subject to a valuation allowance	5,587	(23,865)
Balance at end of year	$ 217,452	$ 211,865

For the years ended December 31, 2015 and 2014 , the valuation allowance change included increase s of $22.1 million and $0.3 million , respectively, for changes in deferred tax assets that are capital in nature, and decrease s of $16.7 million and $24.1 million , respectively, for the utilization of equity-based deferred tax assets to reduce taxes payable. As of December 31, 2015 , $192.3 million of the valuation allowance pertained to equity-based deferred tax assets. The consolidated balance sheets reflect an increase in equity upon the release of this valuation allowance. Accordingly, income tax expense does not reflect a benefit for the release of this valuation allowance.

As of December 31, 2015 , the Company's U.S. federal and state net operating loss carryforwards for income tax purposes were $521.1 million and $32.0 million , respectively, which primarily related to excess tax benefits for stock-based

compensation. When the net operating loss carryforwards related to stock-based compensation are recognized, the income tax benefit of those losses is accounted for as a credit to stockholders' equity on the consolidated balance sheets rather than on the consolidated statements of comprehensive income. If not utilized, the Company's federal net operating loss carryforwards will expire between 2020 and 2031 , with the majority of them expiring between 2020 and 2024 . Additionally, changes in ownership, as defined by Section 382 of the Internal Revenue Code, may limit the amount of net operating loss carryforwards used in any one year.

A reconciliation of the unrecognized tax benefit balances is as follows (in thousands):

	Years ended December 31,		
	2015	2014	2013
Balance at beginning of year	$ 18,403	$ 18,537	$ 19,088
Gross increases for tax positions of prior years	2,708	126	219
Gross decreases for tax positions of prior years	(9)	(199)	(101)
Gross increases for tax positions of current year	751	—	—
Settlements	(112)	(61)	(562)
Lapse of statute of limitations	—	—	(107)
Balance at end of year	$ 21,741	$ 18,403	$ 18,537

The total amount of unrecognized tax benefits that could affect the Company's effective tax rate if recognized was $3.4 million and $0.5 million as of December 31, 2015 and 2014 , respectively. The remaining $18.4 million and $17.9 million as of December 31, 2015 and 2014 , respectively, if recognized, would create a deferred tax asset subject to a valuation allowance. The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction, various state jurisdictions, and Canada. With few exceptions, the Company is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2011, although net operating loss carryforwards and tax credit carryforwards from any year are subject to examination and adjustment for at least three years following the year in which they are fully utilized. As of December 31, 2015 , no significant adjustments have been proposed relative to the Company's tax positions.

During the years ended December 31, 2015 , 2014 , and 2013 , the Company recognized less than $0.1 million of interest and penalties related to uncertain tax positions. The Company had approximately $0.8 million and $0.3 million accrued for interest and penalties as of December 31, 2015 and 2014 , respectively.

Note 15: Net Income (Loss) Per Share

" Basic net income (loss) per share " is computed using the weighted average number of shares outstanding during the period. " Diluted net income (loss) per share " is computed using the weighted average number of shares outstanding plus the number of dilutive potential shares outstanding during the period. Dilutive potential shares consist of the incremental shares issuable upon the exercise of outstanding stock options, vesting of unvested RSUs, exercise of the Warrant (for 2013), and conversion or maturity of the Notes. Dilutive potential shares are excluded from the computation of earnings per share if their effect is antidilutive.

Weighted average shares were as follows (in thousands):

	Years ended December 31,		
	2015	2014	2013
Weighted average shares outstanding, basic	40,959	41,396	41,201
Dilutive potential shares	—	—	—
Weighted average shares outstanding, diluted	40,959	41,396	41,201
Shares excluded	5,975	5,468	5,915

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Years Ended December 31, 2015, 2014, and 2013

Shares excluded primarily related to shares excluded due to the antidilutive effect of a loss from continuing operations, stock options with an exercise price greater than the average price during the applicable periods, and awards with performance conditions not completed during the applicable periods (in 2014 and 2013).

As more fully discussed in " Note 10: Stockholders' Equity ," on November 21, 2013 , the Warrant was exercised and 1.0 million shares of the Company's common stock were issued accordingly. The weighted average of these shares was included in "Weighted average shares outstanding, basic" starting in November 2013. Prior to that, the weighted average of the incremental shares issuable upon the exercise of the Warrant were included in the dilutive potential shares.

As more fully discussed in " Note 8: Debt ," in March 2013, the Company issued the Notes, which are convertible and mature in April 2019. In May 2013, the Company received shareholder approval for "flexible settlement," which provided the Company with the option to settle conversions in cash, shares of common stock, or any combination thereof. The Company intends, upon conversion or maturity of the Notes, to settle the principal in cash and satisfy any conversion premium by issuing shares of its common stock. As a result, the Company only includes the impact of the premium feature in its dilutive potential shares when the average stock price for the reporting period exceeds the conversion price of the Notes, which only occurred during the fourth quarter of 2013 .

ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

ITEM 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management evaluated, with the participation of our Chief Executive Officer and our Chief Financial Officer, the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Annual Report on Form 10-K. Based on this evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of December 31, 2015 to ensure that information we are required to disclose in reports that we file or submit under the Securities Exchange Act of 1934 is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure, and that such information is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission rules and forms.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f). Our 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 generally accepted accounting principles. 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.

Under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control – Integrated Framework* (2013 framework) issued by the Committee of the Sponsoring Organizations of the Treadway Commission.

Based on our evaluation under the framework in *Internal Control – Integrated Framework* (2013 framework), our management concluded that our internal control over financial reporting was effective as of December 31, 2015 .

We acquired HD Vest on December 31, 2015 . Management excluded HD Vest from its assessment of the effectiveness of internal control over financial reporting as of December 31, 2015 . HD Vest's total assets and net assets amounted to $757.3 million and $611.9 million , respectively, as of December 31, 2015 and zero revenues for the year then ended.

Ernst & Young LLP has audited the effectiveness of our internal control over financial reporting as of December 31, 2015 and its report is included below.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the fourth quarter of 2015 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Blucora, Inc.

We have audited Blucora, Inc.'s internal control over financial reporting as of December 31, 2015 , based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). Blucora, Inc.'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 conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

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

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

As indicated in the accompanying Management's Report on Internal Control over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of HD Vest, which is included in the December 31, 2015 consolidated financial statements of Blucora, Inc., and constituted $757.3 million and $611.9 million of total and net assets, respectively, as of December 31, 2015 and zero revenues for the year then ended. Our audit of internal control over financial reporting of Blucora, Inc. also did not include an evaluation of the internal control over financial reporting of HD Vest.

In our opinion, Blucora, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015 , based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Blucora, Inc. as of December 31, 2015 and 2014 and the related consolidated statements of comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2015 of Blucora, Inc. and our report dated February 24, 2016 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Seattle, Washington
February 24, 2016

ITEM 9B. Other Information

On February 23, 2016, the Compensation Committee of the Board of Directors of the Company approved the 2016 Executive Bonus Plan (the " ***2016 Plan*** "). The 2016 Plan provides for annual performance-based cash bonuses to the Company's executive officers. The target bonus amount for individual executive officers varies, and is between 35% and 100% of each executive's annual base salary.

The available bonus for each executive is based on a combination of (a) the Company's achievement of certain specified financial or operational performance measurements and (b) the individual performance of each executive and the discretion of the CEO (or, in the case of the CEO's bonus, the discretion of the Compensation Committee). For the financial or operational performance components, the specific measures vary by executive, but may include overall Company Revenue and BCOR Adjusted EBITDA (as further specified in the 2016 Plan), and/or certain measurements that are specific to the business unit or segment that the individual executive is responsible for. Of the total available bonus payout, 80% is based on financial and operational performance components and 20% is based on individual objectives and performance, as detailed in the 2016 Plan.

The performance targets established for this bonus plan correspond to the operating plan targets approved by the Company's Board of Directors. The range of possible bonus component achievement is 0% to 165% of the target bonus for the operational and financial performance components and 0% to 100% for the individual objectives/discretionary component, with the result that the aggregate maximum available payout level for each executive is 152%.

The foregoing description of the 2016 Plan is qualified in its entirety by reference to the full text of this plan, a copy of which is filed as Exhibit 10.13 hereto and incorporated herein by reference.

PART III

As permitted by the rules of the Securities and Exchange Commission, we have omitted certain information from Part III of this Annual Report on Form 10-K. We intend to file a definitive Proxy Statement with the Securities and Exchange Commission relating to our annual meeting of stockholders not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K, and such information is incorporated by reference herein.

ITEM 10. Directors, Executive Officers and Corporate Governance

Certain information concerning our directors required by this Item is incorporated by reference to our Proxy Statement under the heading "Information Regarding the Board of Directors and Committees."

Certain information regarding our executive officers required by this Item is incorporated by reference to our Proxy Statement under the heading "Information Regarding Executive Officers."

Other information concerning our officers and directors required by this Item is incorporated by reference to our Proxy Statement under the heading "Beneficial Ownership."

ITEM 11. Executive Compensation

The information required by this Item is incorporated by reference to our Proxy Statement under the headings "Compensation Committee Report," "Compensation Committee Interlocks and Insider Participation," "Compensation Discussion and Analysis," and "Compensation of Named Executive Officers."

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

The information required by this Item is incorporated by reference to our Proxy Statement under the headings "Beneficial Ownership" and "Equity Compensation Plans."

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

The information required by this Item is incorporated by reference to our Proxy Statement under the headings "Information Regarding the Board of Directors" and "Audit Committee Report."

ITEM 14. Principal Accounting Fees and Services

The information required by this Item is incorporated by reference to our Proxy Statement under the heading "Audit Committee Report."

PART IV

ITEM 15. Exhibits, Financial Statement Schedules

(a)

1. ***Consolidated Financial Statements***

See Index to Consolidated Financial Statements at Item 8 of this report.

2. ***Financial Statement Schedules***

All financial statement schedules required by Item 15(a)(2) have been omitted because they are not applicable or the required information is presented in the Consolidated Financial Statements or Notes thereto.

3. ***Exhibits***

The exhibits listed in the accompanying index to exhibits are filed or incorporated by reference as part of this report.

(b) ***Exhibits***

See Item 15(a) above.

(c) ***Financial Statements and Schedules***

See Item 15(a) above.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BLUCORA, INC.

By: /s/ William J. Ruckelshaus
William J. Ruckelshaus
Chief Executive Officer and President

Date: February 24, 2016

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Eric M. Emans and Mark A. Finkelstein, jointly and severally, his or her attorneys-in-fact, each with the power of substitution, for him or her in any and all capacities to execute any amendments to this Annual Report on Form 10-K, and to file the same, exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated and on the dates indicated.

Signature	Title	Date
/s/ William J. Ruckelshaus **William J. Ruckelshaus**	President, Chief Executive Officer, and Director (Principal Executive Officer)	February 24, 2016
/s/ Eric M. Emans **Eric M. Emans**	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	February 24, 2016
/s/ John E. Cunningham, IV **John E. Cunningham, IV**	Chairman and Director	February 24, 2016
/s/ David H. S. Chung **David H. S. Chung**	Director	February 24, 2016
/s/ Lance G. Dunn **Lance G. Dunn**	Director	February 24, 2016
/s/ Steven W. Hooper **Steven W. Hooper**	Director	February 24, 2016
/s/ Elizabeth J. Huebner **Elizabeth J. Huebner**	Director	February 24, 2016
/s/ Andrew M. Snyder **Andrew M. Snyder**	Director	February 24, 2016
/s/ Christopher W. Walters **Christopher W. Walters**	Director	February 24, 2016
/s/ Mary S. Zappone **Mary S. Zappone**	Director	February 24, 2016

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Form	Date of First Filing	Exhibit Number	Filed Herewith
2.1	Stock Purchase Agreement between Blucora, Inc., Monoprice, Inc., and the Shareholders, dated as of July 31, 2013	8-K	August 1, 2013	2.1	
3.1	Restated Certificate of Incorporation, as filed with the Secretary of the State of Delaware on August 10, 2012	8-K	August 13, 2012	3.1	
3.2	Amended and Restated Bylaws of Blucora, Inc., dated August 8, 2013	8-K	August 14, 2013	3.1	
4.1	Indenture dated as of March 15, 2013 by and between Blucora, Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee	8-K	March 15, 2013	4.1	
4.2	Form of 4.25% Convertible Senior Note due 2019 (included in Exhibit 4.1)	8-K	March 15, 2013	4.2	
10.1*	1998 Employee Stock Purchase Plan	S-1 (No. 333-62323), as amended	August 27, 1998	10.3	
10.2*	Restated 1996 Flexible Stock Incentive Plan, as amended and restated effective as of June 5, 2012	S-8 (No. 333-198645)	September 8, 2014	99.1	
10.3*	Form of Restated 1996 Flexible Stock Incentive Plan Nonqualified Stock Option Letter Agreement for Nonemployee Directors	S-8 (No. 333-169691)	September 30, 2010	4.5	
10.4*	Form of Restated 1996 Flexible Stock Incentive Plan Nonqualified Stock Option Letter Agreement for Vice Presidents and Above	S-8 (No. 333-169691)	September 30, 2010	4.6	
10.5*	Form of Restated 1996 Flexible Stock Incentive Plan Notice of Grant of Restricted Stock Units and Restricted Stock Unit Agreement for Nonemployee Directors	S-8 (No. 333-169691)	September 30, 2010	4.8	
10.6*	Form of Restated 1996 Flexible Stock Incentive Plan Notice of Grant of Restricted Stock Units and Restricted Stock Unit Agreement for Vice Presidents and Above	S-8 (No. 333-169691)	September 30, 2010	4.9	
10.7	Office Lease between Blucora, Inc. and Plaza Center Property LLC dated July 19, 2012	10-Q	November 1, 2012	10.2	
10.8	First Amendment to Office Lease between Blucora, Inc. and Plaza Center Property LLC dated November 5, 2013	10-K	February 27, 2014	10.8	
10.9	Lease Agreement, dated January 28, 2008, by and between 2nd Story Software, Inc., PBI Properties, Larry Kane Investments, L.C., and Swati Dandekar for office space located at 1425 60th Street NE, Suite 300, Cedar Rapids, Iowa	10-K	March 9, 2012	10.13	
10.10	Amendment to Lease Agreement by and between 2nd Story Software, Inc., PBI Properties, Larry Kane Investments, L.C., and Swati Dandekar for office space located at 1425 60th Street NE, Suite 300, Cedar Rapids, Iowa, dated March 14, 2013	10-Q	May 2, 2013	10.5	
10.11*	Form of Indemnification Agreement between the registrant and each of its directors and executive officers	8-K	April 13, 2011	10.1	
10.12*	Blucora 2015 Executive Bonus Plan	8-K	February 25, 2015	10.1	
10.13*	Blucora 2016 Executive Bonus Plan				X
10.14*	Amended and Restated Employment Agreement, amended and restated effective as of January 6, 2015, between Company and Eric M. Emans	8-K	January 22, 2015	10.1	

Exhibit Number	Exhibit Description	Form	Date of First Filing	Exhibit Number	Filed Herewith
10.15*	Employment Agreement dated between Blucora, Inc., Monoprice, Inc., and Bernard Luthi dated July 14, 2014	10-Q	November 5, 2014	10.1	
10.16*	Employment Agreement between Blucora, Inc. and Nathan Garnett dated September 7, 2014	10-Q	November 5, 2014	10.2	
10.17*	Employment Agreement between Blucora, Inc. and Mark Finkelstein, dated September 30, 2014	10-Q	November 5, 2014	10.3	
10.18*	Employment Agreement between Blucora, Inc., InfoSpace LLC, and Peter Mansour, dated October 6, 2014	10-Q	November 5, 2014	10.4	
10.19*	Amended and Restated Employment Agreement between William J. Ruckelshaus and Company December 31, 2012	10-K	March 8, 2013	10.19	
10.20*	Employment Agreement between JoAnn Kintzel, TaxAct, Inc., and Company dated January 31, 2015	8-K	February 4, 2015	10.10	
10.21*	Employment Agreement, effective as of May 3, 2012, between the Company and George Allen	10-Q	August 1, 2012	10.1	
10.22†	Google Services Agreement and Order Form by and between Google Inc. and InfoSpace Sales LLC dated April 1, 2014	8-K/A	August 27, 2014	10.1	
10.23†	Amendment Number One to Amended and Restated Google Inc. Services Agreement between Infospace LLC and Google, Inc. dated April 1, 2014	10-Q	August 7, 2014	10.1	
10.24†	Amendment Number Two to Amended and Restated Google Inc. Services Agreement between Infospace LLC and Google, Inc. dated October 1, 2014	10-K	February 14, 2014	10.2	
10.25†	Yahoo Publisher Network Contract #1-23975446 dated January 31, 2011 by and between Yahoo! Inc. and its subsidiary Yahoo! Sarl and InfoSpace Sales LLC	10-Q/A	August 30, 2011	10.2	
10.26	Amendment No. 1 to the Yahoo Publisher Network Contract #1-23975446 dated January 14, 2013	10-K	March 8, 2013	10.1	
10.27	Stockholder Agreement between Company and Cambridge Information Group I LLC, dated August 23, 2011	8-K	August 23, 2011	10.3	
10.28	Credit Agreement among TaxAct, Inc., as Borrower, TaxAct Holdings, Inc., as a Guarantor, and Wells Fargo Bank, N.A., as administrative agent and a lender, BMO Harris Bank, N.A., Silicon Valley Bank, Bank of America, N.A., and RBS Citizens, N.A., each as lenders, dated August 30, 2013	8-K	September 6, 2013	10.1	
10.29	Credit Agreement among Monoprice, Inc., as Borrower, Monoprice Holdings, Inc., as a Guarantor, and Bank of Montreal, as administrative agent and a lender, Bank of America, N.A., and Wells Fargo Bank, N.A., each as lenders, dated November 22, 2013	8-K	November 27, 2013	10.1	
10.30	First Amendment to Credit Agreement among Monoprice, Inc., as Borrower, Monoprice Holdings, Inc., as a Guarantor, and Bank of Montreal, as administrative agent and a lender, Bank of America, N.A., and Wells Fargo Bank, N.A., each as lenders, dated December 9, 2014	10-K	February 27, 2014	10.3	
10.31	Lease Agreement between Monoprice, Inc. and Sixth and Rochester, LLC, dated June 2, 2009	10-Q	November 5, 2013	10.3	
10.32	First Amendment to Lease Agreement between Monoprice, Inc. and Sixth and Rochester, LLC, dated August 25, 2009	10-Q	November 5, 2013	10.4	

Exhibit Number	Exhibit Description	Form	Date of First Filing	Exhibit Number	Filed Herewith
10.33	Second Amendment to Lease Agreement between Monoprice, Inc. and Sixth and Rochester, LLC, dated September 23, 2009	10-Q	November 5, 2013	10.5	
10.34	Third Amendment to Lease Agreement between Monoprice, Inc. and Sixth and Rochester, LLC, dated October 16, 2009	10-Q	November 5, 2013	10.6	
10.35	Fourth Amendment to Lease Agreement between Monoprice, Inc. and Sixth and Rochester, LLC, dated November 20, 2014	10-K	February 27, 2014	10.4	
10.36*	Nonemployee Director Compensation Policy, effective as of January 1, 2014	10-K	February 27, 2014	10.42	
10.37*	Blucora, Inc. 2015 Incentive Plan	10-Q	October 29, 2015	10.1	
10.38*	Form of Blucora, Inc. 2015 Incentive Plan Nonqualified Stock Option Grant Notice	10-Q	July 30, 2015	10.2	
10.39*	Form of Blucora, Inc. 2015 Incentive Plan Restricted Stock Unit Grant Notice	10-Q	July 30, 2015	10.3	
10.40*	Blucora, Inc. 2016 Equity Inducement Plan	S-8	January 29, 2016	99.1	
10.41*	Form of Blucora, Inc. 2016 Inducement Plan Nonqualified Stock Option Grant Notice				X
10.42*	Form of Blucora, Inc. 2016 Inducement Plan Restricted Stock Unit Grant Notice				X
10.43†	Microsoft Advertising Publisher Business Framework Agreement dated August 1, 2014	10-Q	October 29, 2015	10.4	
10.44	Amendment No. 1 dated July 29, 2015 to the Microsoft Advertising Publisher Business Framework Agreement	10-Q	October 29, 2015	10.5	
10.45	Paid Search Services Schedule to the Framework Agreement dated August 1, 2014	10-Q	October 29, 2015	10.6	
10.46	Amendment No. 1 to the Paid Search Services Schedule to the Framework Agreement dated August 1, 2014	10-Q	October 29, 2015	10.7	
10.47†	Amendment No. 2 to the Yahoo Publisher Network Contract #2-23975446 dated December 28, 2015				X
10.48	Stock Purchase Agreement by an among HDV Holdings, LLC, Blucora, Inc., Project Baseball Sub, Inc. and HDV Holdings, Inc., dated October 14, 2015	8-K	October 14, 2015	10.1	
10.49	Credit Agreement among TaxAct Holdings, Inc., TaxAct, Inc., H.D. Vest, Inc. and Bank of Montreal as Administrative Agent, Collateral Agent and Swing Line Lender, and each lender from time to time a party to the Credit Agreement, dated December 31, 2015				X
10.50*	Amendment No. 1 to Amended and Restated Employment Agreement by and between Blucora, Inc. and Eric M. Emans dated January 22, 2016.	8-K	January 22, 2016	10.1	
10.51*	Amendment No. 1 to Employment Agreement by and between Blucora, Inc. and Mark A. Finkelstein dated January 22, 2016.	8-K	January 22, 2016	10.2	
10.52*	Amendment No. 1 to Employment Agreement by a between Blucora, Inc. and InfoSpace LLC and Peter Mansour dated January 22, 2016.	8-K	January 22, 2016	10.3	
10.53*	Amendment No. 1 to Employment Agreement by and between Blucora, Inc. and Monoprice, Inc. and Bernard Luthi dated January 22, 2016.	8-K	January 22, 2016	10.4	
10.54*	Amended and Restated Employment Agreement between Project Baseball Sub, Inc. and Roger Ochs dated February 22, 2016.				X

Exhibit Number	Exhibit Description	Form	Date of First Filing	Exhibit Number	Filed Herewith
14.1	Code of Business Conduct and Ethics, as amended on August 14, 2014	8-K	August 15, 2014	14.1	
21.1	Subsidiaries of the registrant				X
23.1	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm				X
24.1	Power of Attorney (contained on the signature page hereto)				X
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X
32.1	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				X
32.2	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				X
101	The following financial statements from the Company's 10-K for the fiscal year ended December 31, 2015, formatted in XBRL: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Comprehensive Income, (iii) Consolidated Statements of Stockholders' Equity, (iv) Consolidated Statements of Cash Flows, and (v) Notes to Consolidated Financial Statements				X

* Indicates a management contract or compensatory plan or arrangement.

† Confidential treatment has been requested for portions of this exhibit. These portions have been omitted from these exhibits to this Annual Report on Form 10-K and submitted separately to the Securities and Exchange Commission.

BLUCORA

2016 Executive Bonus Plan

This plan document outlines the Blucora Executive Bonus Plan (the " ***Plan*** ") for calendar year 2016. To the extent any provision of this Plan conflicts with any provision of an Executive's employment agreement, then such employment agreement will control.

PLAN OBJECTIVES

- Provide variable pay opportunities and targeted total cash compensation that are (a) aligned with key financial drivers, and (b) otherwise consistent with the total cash compensation philosophy outlined from time to time by the Compensation Committee of the Compensation Committee of Blucora's Board of Directors ("Compensation Committee").
- Increase the competitiveness of executive pay without increasing fixed costs, making bonus payments contingent upon organizational and individual success.
- Create internal consistency and standard guidelines among the executive peer group.

EFFECTIVE PERIOD

The Plan is effective for calendar year 2016 and may be changed at any time at the sole discretion of the Compensation Committee.

PARTICIPATION ELIGIBILITY, BONUS TARGETS AND PAYOUT TIMING

The positions eligible for participation in the Plan are listed in the table below. Each participant's annual bonus target, which is stated as a percentage of annual base salary, is also set forth in the table below. If the executive leadership team changes, any additions to the Plan will be recommended by the CEO and approved by the Compensation Committee. Payment of bonuses awarded under this Plan will be made annually, following the conclusion of the calendar year.

Job Title	Target Bonus %
President and Chief Executive Officer	100%
Chief Financial Officer and Treasurer	60%
Chief Legal and Administrative Officer	60%
Executive Vice President, Human Resources	35%
President, TaxACT	60%
President and Chief Executive Officer, HD Vest	100%
President, InfoSpace*	60%
President, Monoprice*	60%

* Paid pro rata upon close of the sale of such business unit, subject to the sole discretion of the Compensation Committee

PLAN DESIGN

The Plan includes financial performance components and a discretionary component that is based on individual objectives and the CEO's (or, with respect to the CEO, the Compensation Committee's) subjective evaluation of that individual's performance. The financial performance components and the weighting of the discretionary component differ among plan participants as noted in the table below.

Job Title / Bonus Payment Scale	Financial Components								Discretionary Component
	BCOR Revenue	BCOR Adj EBITDA	Segment Revenue	Segment Income	Total Efiles	Fee Based Inflows	TTM Production Churn	New Advisors	
President and CEO / A	30%	50%*							20%
CFO and Treasurer / A	30%	50%*							20%
Chief Legal & Administrative Officer/A	30%	50%*							20%
EVP, Human Resources / A	30%	50%*							20%
Pres., TaxACT / A			20%	30%*	30%				20%**
Pres and CEO, HD Vest / A			20%	30%*		15%	5%	10%	20%**
Pres., InfoSpace / B			50%	50%*					
Pres., Monoprice / B			50%	50%*					

* Pre-bonus
** Discretionary component for Presidents of TaxAct and HD Vest tied to synergy achievement

Each financial component may be achieved at a payout percentage ranging from 0 to 165% and the discretionary component may be achieved at a payout percentage ranging from 0% to 100%, with the result that the aggregate maximum payout level under the Plan for each executive is 152%. The relevant Executive Bonus Payment Scale set forth in the *Bonus Scales* section is applied to determine the payout percentage of the financial performance components. The financial performance component targets at 100% match the corresponding operating plans for HDV, TaxAct and corporate opex approved by the Board of Directors. The level of achievement of the discretionary component is subjectively determined on an annual basis by the CEO (or, with respect to the CEO, by the Compensation Committee). Efile targets shall be adjusted based on actual overall market performance relative to the assumptions for overall market performance in the budget model.

Financial Targets

The financial performance components used to determine the bonus achievement are defined below. All components that are subject to normalization (e.g., removal of non-recurring expenses and/or revenue) shall only be so adjusted by the Compensation Committee, in its sole discretion.

- **BCOR Revenue** : Consolidated, externally reported Revenue
- **BCOR Adjusted EBITDA** : Consolidated, externally reported EBITDA, normalized for internally developed software and other non-operational items

- **Segment Revenue or Income** *(as applicable)* : Externally reported Income or Revenue for the applicable segment, with Income normalized for internally developed software and other non-operational items
- **Total Efiles** : Combination of: 1) number of online and desktop accepted efiles generated through the consumer tax preparation site/software during the IRS designated filing season, AND 2) accepted efiles generated through the professional tax preparation software during the IRS designated filing season
- **Fee Based Inflows** : Actual new fee based assets relative to plan
- **TTM Production Churn** : Sum of the annualized production loss associated with advisor terminations in the calendar year, measured based on the calendar month the termination occurred, using the trailing twelve month total production
- **New Advisors** : Actual new advisors onboarded onto the HD Vest platform relative to plan

Bonus Scales

The applicable Executive Bonus Payment Scale below will be used to calculate the available amounts to be paid to each executive based on the financial performance components.

Executive Bonus Payment Scale A (BCOR, TaxAct, HD Vest)			
Bonus Level	**Financial Performance vs. Target**	**Bonus Payout Percentage**	**Added Payout Rate Per 1% Attainment**
Below Minimum	0% - 89%	0.0%	----
Decelerated	90% - 94%	50.0% - 86%	9.0%
1:1	95% - 105%	95% - 105.0%	----
Accelerated	106% - 110%	117.0% - 165.0%	12.0%
Maximum	> 110%	Capped at 165.0%	----

Executive Bonus Payment Scale B (InfoSpace, Monoprice)			
Performance Level	**Financial Performance vs. Target**	**Bonus Achievement Percentage**	**Added Payout Rate Per 1% Attainment**
Below Minimum	0% - 89%	0.0%	----
Decelerated	90% - 99%	50.0% - 95.0%	5.0%
1:1	100% - 150%	100% - 150.0%	----
Maximum	> 150%	Capped at 150.0%	----

- **Rounding** . Performance results will be rounded up to the nearest whole percentage point. For example, if the calculated performance achievement percentage is 79.1%, it will be rounded up to 80%.
- **Performance Thresholds** . There will be no payout for a financial performance component if the minimum specified threshold is not achieved. However, if the threshold for one financial performance component is not achieved, a bonus may still be earned on the other financial performance component(s), provided performance for that measure achieves the applicable threshold. The discretionary component is independent of the financial performance components, and may be awarded whether or not the threshold for any financial performance components has been met.
- **Acceleration Below and Above Target** . For determining bonus achievement percentage where a range is indicated in the financial performance vs. target column, the whole percentage point of financial performance achieved is mapped to the corresponding bonus achievement percentage using a linear scale between the low and high points in the range.

EMPLOYMENT REQUIREMENTS

In order to be eligible for a bonus payment under the Plan, and for a bonus to be considered earned under the Plan, participants must be employed at the end of the fiscal year; provided, however, that if a participant's employment is terminated during the year "without Cause" or by the participant for "Good Reason" or due to "Constructive Termination" as such terms are defined in the applicable participant's employment agreement, then the participant will be entitled to accrued bonus as of the date of his or her termination. Accrued bonus will be calculated as (a) pro-rata achievement of financial performance components based on the then-current annual forecast and (b) pro-rata achievement of the discretionary component at the level communicated at the conclusion of the semi-annual measurement period, or with respect to any measurement period that has not yet been completed and communicated, achievement of the discretionary component at the level subjectively determined by the CEO (or, with respect to the CEO, the Compensation Committee).

APPROVAL

All bonus payments made to executives will be submitted to the Compensation Committee for final approval. The Compensation Committee may adjust the final bonus amount as it deems appropriate. The Committee has sole discretion to adjust bonus awards to reflect changes in the industry, company, the executive's job duties or performance, or any other circumstance the Committee determines should impact bonus awards.

BLUCORA, INC.
2016 EQUITY INDUCEMENT PLAN

NONQUALIFIED STOCK OPTION GRANT NOTICE

TO: _____ (" ***Optionee*** ")

We are pleased to inform you that you have been selected by Blucora, Inc. (the " ***Company*** ") to receive a stock option (the " ***Option*** ") to purchase shares of the Company's Common Stock (the " ***Shares*** ") under the Blucora, Inc. 2016 Equity Inducement Plan (the " ***2016 Inducement Plan*** ").

The Option is subject to all the terms and conditions set forth in this Nonqualified Stock Option Grant Notice (the " ***Notice of Grant*** ") and in the Stock Option Agreement attached hereto as **Exhibit A** (the " ***Agreement*** ") and the 2016 Inducement Plan, which are incorporated by reference into the Notice of Grant. Capitalized terms that are not defined in the Notice of Grant and the Agreement have the meanings given to them in the 2016 Inducement Plan.

Grant Date: __

Number of Shares: __

Exercise Price Per Share: $ __

Option Expiration Date: __

Vesting Commencement Date: __

Type of Option: Nonqualified Stock Option

Vesting and Exercisability Schedule: The Option will vest and become exercisable as follows: 33.33% of the total Option will vest on the one-year anniversary of the Vesting Commencement Date, and approximately 16.67% will vest at the end of each six-month period thereafter, such that the Option will be fully vested on the three-year anniversary of the Vesting Commencement Date; provided that vesting will cease upon your Termination of Employment and the unvested portion of the Option will terminate.

Additional Terms/Acknowledgment: You acknowledge and agree that the Notice of Grant and the vesting and exercisability schedule set forth herein do not constitute an express or implied promise of your continued engagement as an employee for the vesting period, for any period, or at all, and shall not interfere with your right or the Company's right to terminate your employment relationship with the Company or its Related Companies at any time, with or without cause. You further acknowledge and agree that the Option granted hereby is the only Nonqualified Stock Option that has been granted to you in connection with the closing of the acquisition of HD Vest by the Company.

You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the 2016 Inducement Plan and the Option.

By your signature below, you agree that the Notice of Grant, the Agreement and the 2016 Inducement Plan constitute your entire agreement with respect to the Option and may not be modified adversely to your interest except by means of a writing signed by the Company and you.

BLUCORA, INC.

By: _
Its: _

OPTIONEE

_
Signature

Date: _

Address: _
_
Taxpayer ID: _

Attachments:
1. Stock Option Agreement
2. 2016 Equity Inducement Plan

EXHIBIT A

BLUCORA, INC.
2016 EQUITY INDUCEMENT PLAN

STOCK OPTION AGREEMENT

1. **Grant.** The Company hereby grants to the optionee listed on the Notice of Grant (the " ***Optionee*** ") an Option to purchase the number of Shares and at the exercise price as set forth in the Notice of Grant and subject to the terms and conditions in this Stock Option Agreement (this " ***Agreement*** ") and the 2016 Inducement Plan. Unless otherwise defined herein, the terms defined in the 2016 Inducement Plan shall have the same meanings in this Agreement.

2. **Company's Obligation.** Unless and until the Option vests and is exercised, the Optionee will have no right to receive Shares under the Option. Prior to actual distribution of Shares pursuant to any vested and exercised Option, such Option will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

3. **Vesting and Exercisability.** Subject to the limitations contained herein, the Option will vest and become exercisable as provided in the Notice of Grant. Any portion of the Option that is vested may be exercised at any time during the period prior to the date the Option terminates. No partial exercise of the Option may be for less than five percent (5%) of the total number of Shares then available under the Option. In no event shall the Company be required to issue fractional shares.

4. **Termination of Option** . The unvested portion of the Option will terminate automatically and without further notice immediately upon your Termination of Employment (voluntary or involuntary). The vested portion of the Option will terminate automatically and without further notice on the earliest of the dates set forth below:

a. three months after your Termination of Employment for any reason other than Disability or death. If you die after your Termination of Employment but while the Option is still exercisable, the vested portion of the Option may be exercised until the earlier of (x) one year after the date of death and (y) the Option Expiration Date;

b. one year after your Termination of Employment by reason of Disability or death;

c. immediately upon notification to you of your Termination of Employment for Cause, unless the Committee determines otherwise. If your employment relationship is suspended pending an investigation of whether you will be terminated for Cause, all your rights under the Option likewise will be suspended during the period of investigation. If any facts that would constitute termination for Cause are discovered after your Termination of Employment, any Option you then hold may be

immediately terminated by the Committee; or

d. the Option Expiration Date.

IT IS YOUR RESPONSIBILITY TO BE AWARE OF THE DATE ON WHICH YOUR OPTION TERMINATES.

5. **Leave of Absence.** The effect of a Company-approved leave of absence on the terms and conditions of the Option will be determined by the Committee or chief human resources officer and subject to applicable laws.

6. **Method of Exercise.** You may exercise the Option by giving written notice to the Company, in form and substance satisfactory to the Company, which will state the election to exercise the Option and the number of Shares for which you are exercising the Option. The written notice must be accompanied by full payment of the exercise price for the number of Shares you are purchasing.

7. **Form of Payment.** You may pay the Option exercise price, in whole or in part, (a) in cash, (b) by wire transfer or check acceptable to the Company, (c) unless the Committee determines otherwise and so long as the Common Stock is registered under the Exchange Act and to the extent permitted by law, by delivery of a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company the amount of sale or loan proceeds necessary to pay the exercise price, (d) if permitted by the Committee, by having the Company withhold shares of Common Stock that would otherwise be issued on exercise of the Option or by your tendering already owned shares of Common Stock, or (e) such other consideration as the Committee may permit.

8. **Withholding Taxes.** As a condition to the exercise of any portion of the Option, you must make such arrangements as the Company may require for the satisfaction of any federal, state or local withholding tax obligations that may arise in connection with such exercise. The Company has the right to retain without notice a sufficient number of Shares to satisfy the withholding obligation. If permitted by the Committee, you may satisfy the withholding obligation by electing to have the Company withhold from the Shares to be issued upon exercise that number of Shares having a fair market value equal to the amount required to be withheld.

9. **Limited Transferability.** During your lifetime only you can exercise the Option. The Option is not transferable except by will or by the applicable laws of descent and distribution. The 2016 Inducement Plan provides for exercise of the Option by a beneficiary designated on a Company-approved form. Notwithstanding the foregoing, the Committee, in its sole discretion, may permit you to assign or transfer the Option, subject to such terms and conditions as specified by the Committee. The 2016 Inducement Plan provides for exercise of the Option by the personal representative of your estate or the beneficiary thereof following your death.

10. **Regulatory Restrictions on Issuance of Shares.** Notwithstanding the other provisions of this Agreement, if at any time the Company will determine, in its discretion, that the listing, registration or qualification of Shares upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to the Optionee (or his or her estate), such issuance will not occur unless and until such listing, registration, qualification, consent or approval will have been effected or obtained free of any conditions not acceptable to the Company. The Company will make all reasonable efforts to meet the requirements of any such state or federal law or securities exchange and to obtain any such consent or approval of any such governmental authority.

11. **Binding Effect.** This Agreement will inure to the benefit of the successors and assigns of the Company and be binding upon you and your heirs, executors, administrators, successors and assigns.

12. **No Stockholder Rights.** Neither you nor any person entitled to exercise your rights in the event of your death shall have any of the rights of a stockholder with respect to the Shares subject to the Option unless and until the date of issuance under the 2016 Inducement Plan of any such Shares upon the exercise of the Option.

13. **Notices.** Any notice which either party hereto may be required or permitted to give to the other shall be in writing and may be delivered personally, by interoffice mail, by fax, by electronic mail or other electronic means, or via a postal service, postage prepaid, to such electronic mail or postal address and directed to such person as the Company may notify you from time to time; and to you at your electronic mail or postal address as shown on the records of the Company from time to time, or at such other electronic mail or postal address as you, by notice to the Company, may designate in writing from time to time.

14. **Committee Decisions Conclusive and Binding.** All decisions of the Committee upon any questions arising under

the 2016 Inducement Plan or under this Agreement shall be conclusive and binding.

15. **Option Not an Employment Contract.** Nothing in the 2016 Inducement Plan or any award granted under the 2016 Inducement Plan will be deemed to constitute an employment contract or confer or be deemed to confer any right for you to continue in the employ of the Company or any Related Company or limit in any way the right of the Company or any Related Company to terminate your employment relationship at any time, with or without cause.

16. **No Right to Damages.** You will have no right to bring a claim or to receive damages if you are required to exercise the vested portion of the Option within three months (one year in the case of Disability or death) of your Termination of Employment or if any portion of the Option is cancelled or expires unexercised. The loss of existing or potential profit in the Option will not constitute an element of damages in the event of your Termination of Employment for any reason even if the termination is in violation of an obligation of the Company or a Related Company to you.

17. **Section 409A.** The Option is intended to be exempt from the requirements of Section 409A or to satisfy those requirements, and shall be construed accordingly.

18. **Governing Law.** The validity, interpretation, construction and performance of this Agreement shall be governed by the internal substantive laws of the State of Delaware, without reference to any choice-of-law rules.

BLUCORA, INC.
2016 EQUITY INDUCEMENT PLAN

RESTRICTED STOCK UNIT GRANT NOTICE

TO: _____ (" ***Employee*** ")

We are pleased to inform you that you have been selected by Blucora, Inc. (the " ***Company*** ") to receive a Restricted Stock Unit Award (the " ***Award*** ") under the Blucora, Inc. 2016 Equity Inducement Plan (the " ***2016 Inducement Plan*** "). Each restricted stock unit (an " ***RSU*** ") subject to the Award is equivalent to one share of the Company's Common Stock for purposes of determining the number of shares of Common Stock (the " ***Shares*** ") subject to the Award.

The Award is subject to all the terms and conditions set forth in this Restricted Stock Unit Grant Notice (the " ***Notice of Grant*** ") and in the Restricted Stock Unit Agreement attached hereto as **Exhibit A** (the " ***Agreement*** ") and the 2016 Inducement Plan, which are incorporated by reference into the Notice of Grant. Capitalized terms that are not defined in the Notice of Grant and the Agreement have the meanings given to them in the 2016 Inducement Plan.

Grant Date: __

Number of RSUs
Subject to the Award: __

Vesting Commencement Date: __

Vesting Schedule: 33.33% of the RSUs will vest on the one-year anniversary of the vesting start date and approximately 16.67% will vest at the end of each six-month period thereafter, such that the RSUs will be fully vested on the three-year anniversary of the vesting start date; provided that vesting will cease upon your Termination of Employment and the unvested portion of the Award will terminate.

Additional Terms/Acknowledgment: You acknowledge and agree that the Notice of Grant and the vesting schedule set forth herein do not constitute an express or implied promise of your continued engagement as an employee for the vesting period, for any period, or at all, and shall not interfere with your right or the Company's right to terminate your employment relationship with the Company or its Related Companies at any time, with or without cause.

You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the 2016 Inducement Plan and the Award.

By your signature below, you agree that the Notice of Grant, the Agreement and the 2016 Inducement Plan constitute your entire agreement with respect to the Award and may not

be modified adversely to your interest except by means of a writing signed by the Company and you.

BLUCORA, INC.

By: _
Its: _

EMPLOYEE

_
Signature

Date: _

Address: _
_
Taxpayer ID: _

Attachments:
1. Restricted Stock Unit Agreement
2. 2016 Equity Inducement Plan

EXHIBIT A

BLUCORA, INC.
2016 EQUITY INDUCEMENT PLAN

RESTRICTED STOCK UNIT AGREEMENT

1. **Grant.** The Company hereby grants to the employee listed on the Notice of Grant (the " ***Employee*** ") an Award of RSUs, as set forth in the Notice of Grant and subject to the terms and conditions in this Restricted Stock Unit Agreement (this " ***Agreement*** ") and the 2016 Inducement Plan. Unless otherwise defined herein, the terms defined in the 2016 Inducement Plan shall have the same meanings in this Agreement.

2. **Company's Obligation.** Each RSU represents the right to receive a Share on the vesting date. Unless and until the RSUs vest, the Employee will have no right to receive Shares under such RSUs. Prior to actual distribution of Shares pursuant to any vested RSUs, such RSUs will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

3. **Vesting Schedule.** Subject to paragraph 4, to Section 10.2 of the 2016 Inducement Plan and to any other relevant 2016 Inducement Plan provisions, the RSUs awarded by this Agreement will vest in the Employee according to the vesting schedule specified in the Notice of Grant. The effect of a Company approved unpaid leave of absence on the terms and conditions of the RSUs will be determined by the Plan Administrator or chief human resources officer and subject to applicable laws.

4. **Forfeiture upon Termination of Employment.** Notwithstanding any contrary provision of this Agreement or the Notice of Grant, if the Employee has a Termination of Employment for any or no reason prior to vesting, the unvested RSUs awarded by this Agreement will thereupon be forfeited at no cost to the Company.

5. **Payment After Vesting.** Any RSUs that vest in accordance with paragraph 3 will be paid to the Employee (or in the event of the Employee's death, to his or her estate) in Shares on, or as soon as practicable after, the applicable vesting date (but in any event, by the fifteenth day of the third month following the tax year in which the RSUs vest), provided that, to the extent determined appropriate by the Company, the minimum statutorily required federal, state and local withholding taxes with respect to such RSUs will be paid by reducing the number of vested RSUs actually paid to the Employee.

6. **Payments After Death.** Any distribution or delivery to be made to the Employee under this Agreement will, if the Employee is then deceased, be made to the administrator or executor of the Employee's estate. Any such administrator or executor must furnish the Company with (a) written notice of his or her status as transferee and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.

7. **Rights as Stockholder.** Neither the Employee nor any person claiming under or through the Employee will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until the date of issuance of any such Shares under the 2016 Inducement Plan.

8. **No Effect on Employment Relationship.** The Employee's employment relationship with the Company and its Related Companies is on an at-will basis only. Accordingly, the terms of the Employee's employment relationship with the Company and its Related Companies will be determined from time to time by the Company or the Related Companies employing the Employee (as the case may be), and the Company or the Related Companies will have the right, which is hereby expressly reserved, to terminate or change the terms of the employment relationship of the Employee at any time for any reason whatsoever, with or without good cause or notice.

9. **Address for Notices.** Any notice which either party hereto may be required or permitted to give to the other shall be in writing and may be delivered personally, by interoffice mail, by fax, by electronic mail or other electronic means, or via a postal service, postage prepaid, to such electronic mail or postal address and directed to such person as the Company may notify you from time to time; and to you at your electronic mail or postal address as shown on the records of the Company from time to time, or at such other electronic mail or postal address as you, by notice to the Company, may designate in writing from time to time.

10. **Award Is Not Transferable.** Except to the limited extent provided in paragraph 6, the Award and the rights and privileges conferred hereby will not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of the Award, or any right or privilege conferred hereby, or upon any attempted sale under any execution, attachment or similar process, the Award and the rights and privileges conferred hereby immediately will become null and void.

11. **Binding Agreement.** Subject to the limitation on the transferability of the Award contained herein, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

12. **Regulatory Restrictions on Issuance of Shares.** Notwithstanding the other provisions of this Agreement, if at any time the Company will determine, in its discretion, that the listing, registration or qualification of Shares upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to the Employee (or his or her estate), such issuance will not occur unless and until such listing, registration, qualification, consent or approval will have been effected or obtained free of any conditions not acceptable to the Company. The Company will make all reasonable efforts to meet the requirements of any such state or federal law or securities exchange and to obtain any such consent or approval of any such governmental authority.

13. **2016 Inducement Plan Governs.** This Agreement and the Notice of Grant are subject to all terms and provisions of the 2016 Inducement Plan. In the event of a conflict between one or more provisions of this Agreement or the Notice of Grant and one or more provisions of the 2016 Inducement Plan, the provisions of the 2016 Inducement Plan will govern.

14. **Plan Administrator Authority.** The Plan Administrator will have the power to interpret this Agreement, the Notice of Grant and the 2016 Inducement Plan, and to adopt such rules for the administration, interpretation and application of the 2016 Inducement Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any RSUs have vested). All actions taken and all interpretations and determinations made by the Plan Administrator in good faith will be conclusive and binding upon the Employee, the Company and all other interested persons. No member of the Plan Administrator will be personally liable for any action, determination or interpretation made in good faith with respect to the 2016 Inducement Plan or this Agreement.

15. **Section 409A.** The Award is intended to be exempt from the requirements of Section 409A or to satisfy those requirements, and shall be construed accordingly.

16. **Governing Law.** The validity, interpretation, construction and performance of this Agreement shall be governed by the internal substantive laws of the State of Delaware without reference to any choice-of-law rules.

Amendment #2
to the
Yahoo! Publisher Network Contract #2-23975446
Effective as of January 1, 2011, as amended (" Agreement ")

This Amendment #2 to the Agreement (" Amendment #2 ") is effective as of the latter date of Yahoo! Inc.'s or Publisher's signature below (" Amendment #2 Effective Date ") by and between Yahoo! Inc. and Yahoo! EMEA Limited (as successor to Yahoo! Sarl and together with Yahoo! Inc., "Yahoo") on the one hand, and InfoSpace LLC (f/k/a InfoSpace Sales LLC) and Blucora, Inc. (f/k/a InfoSpace Inc., and collectively with InfoSpace Sales LLC, " Publisher ") on the other hand. All capitalized terms not defined herein shall have the meanings assigned to them in the Agreement.

In consideration of these mutual covenants and for such other good and valuable consideration, the sufficiency of which is acknowledged by the parties hereto, Yahoo and Publisher desire to amend the Agreement as follows:

1. The Mutual Termination Agreement dated September 28, 2015 is deemed void ab initio and shall have no legal effect whatsoever.

2. The End Date of the Agreement is hereby deleted and replaced with March 31, 2016. For clarity, the Agreement shall not automatically renew after the End Date.

3. The Compensation Section on the cover page of the SO is hereby amended as follows:

   a) The percentages of Gross Revenue set forth under Section (b) shall only apply from February 1, 2011 through December 31, 2015.

   b) A new Section (c) is added that is set forth as follows:

   "(c) From January 1, 2016 through the remainder of the Term:

Monthly Gross Revenue	Percentage of Gross Revenue
Less than $[*]	[*]%
$[*] or more	[*]%

4. As of the Amendment #2 Effective Date, Publisher's rights and obligations in connection with Web Search Results under the Agreement shall be governed by the following terms:

   a) Except as provided in 4(b), each Query submitted by Publisher to Yahoo for Results must include a request for Paid Search Results and Publisher will display Results (including but not limited to Paid Search Results) from Yahoo in response to a Query submitted to Yahoo.

   b) If Publisher submits a Query to Yahoo for Web Search Results only, Publisher shall pay Yahoo US $[*] per 1000 Queries. For clarity, one Query calling for Web Search Results, images or news results will cost US $[*] per 1000 Queries and Queries calling for Web Search Results, images and news results separately will count as three separate Queries and will cost US $[*] per 1000 Queries.

[*] Information redacted pursuant to a confidential treatment request by Blucora, Inc. under 5 U.S.C. §552(b)(4) and 17 C.F.R. §§ 200.80(b)(4) and 240.24b-2, and submitted separately with the Securities and Exchange Commission.

5. In the event of any conflict between the terms and conditions of the Agreement and the terms and conditions of this Amendment #2, the terms and conditions of this Amendment #2 shall control. Except as amended by this Amendment #2, the Agreement shall remain in full force and effect in accordance with its terms. This Amendment #2 may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

[*] Information redacted pursuant to a confidential treatment request by Blucora, Inc. under 5 U.S.C. §552(b)(4) and 17 C.F.R. §§ 200.80(b)(4) and 240.24b-2, and submitted separately with the Securities and Exchange Commission.

[SIGNATURE PAGE TO AMENDMENT #2]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment #2 to the Agreement to be executed by their duly authorized representatives as of the Amendment #2 Effective Date.

YAHOO! INC.
By: /s/ Ian Weingarten
Name: Ian Weingarten
Title: SVP, Corporate Development & Partnerships
Date: December 21, 2015

YAHOO! SARL
By: /s/ Michael McElliott
Name: Michael McElliott
Title: Director
Date: December 22, 2015

INFOSPACE LLC
By: /s/ Peter Mansour
Name: Peter Mansour
Title: President
Date: December 28, 2015

BLUCORA, INC. (as guarantor under Section 22 of Attachment B)

By: /s/ Eric Emans
Name: Eric Emans
Title: CFO
Date: December 27, 2015

[*] Information redacted pursuant to a confidential treatment request by Blucora, Inc. under 5 U.S.C. §552(b)(4) and 17 C.F.R. §§ 200.80(b)(4) and 240.24b-2, and submitted separately with the Securities and Exchange Commission.

$425,000,000

CREDIT AGREEMENT

Dated as of December 31, 2015

among

TAXACT HOLDINGS, INC., as Holdings,

TAXACT, INC.

and, following the consummation of the Acquisition,
H.D. VEST, INC.
as Borrowers,

THE OTHER GUARANTORS PARTY HERETO FROM TIME TO TIME,

BANK OF MONTREAL
as Administrative Agent, Collateral Agent and Swing Line Lender

and

THE LENDERS PARTY HERETO FROM TIME TO TIME

BMO CAPITAL MARKETS CORP.

as Sole Lead Arranger and Sole Bookrunner,

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CREDIT AGREEMENT

This CREDIT AGREEMENT is entered into as of December 31, 2015, among TAXACT HOLDINGS, INC., a Delaware corporation (" **Holdings** "), TAXACT, INC., an Iowa corporation (" **TaxACT** "), and, following the consummation of the Acquisition (as defined below), H.D. VEST, INC., a Texas corporation (" **HDVest** " and together with TaxACT, the " **Borrowers** " and each, a " **Borrower** "), the other Guarantors party hereto from time to time, BANK OF MONTREAL, as Administrative Agent, Collateral Agent and Swing Line Lender, and each lender from time to time party hereto (collectively, the " **Lenders** " and, individually, a " **Lender** ").

PRELIMINARY STATEMENTS

Pursuant to that certain Stock Purchase Agreement, dated as of October 14, 2015 (such agreement, together with all schedules and exhibits thereto, as amended, supplemented or otherwise modified from time to time in a manner that would not result in a failure of the condition precedent set forth in Section 4.01(d) , the " **Acquisition Agreement** "), by and among Project Baseball Sub, Inc., a Delaware corporation (" **Baseball** "), Blucora, Inc., a Delaware corporation (" **Parent** "), HDV Holdings, Inc., a Delaware corporation (" **HDV Holdings** ") and HDV Holdings LLC, a Delaware limited liability company (the " **Seller** "), Baseball will acquire all of the capital stock of HDV Holdings (the " **Acquisition** ").

To refinance the Existing Credit Facilities and for other purposes described herein, the Lenders have agreed to extend certain credit facilities in an aggregate principal amount not to exceed $425,000,000, consisting of (i) Term Loans to be made available to the Borrowers on the Closing Date in an aggregate principal amount of $400,000,000 and (ii) Revolving Credit Commitments (which Revolving Credit Commitments shall include sub-facilities as set forth herein with respect to Letters of Credit and Swing Line Loans) to be made available to the Borrowers in an aggregate principal amount of $25,000,000.

The Lenders have indicated their willingness to lend and each L/C Issuer (as defined below) has indicated its willingness to issue Letters of Credit and the Swing Line Lender has indicated its willingness to make Swing Line Loans, in each case, on the terms and subject to the conditions set forth herein.

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

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

Section 1.01. Defined Terms . As used in this Agreement (including in the preamble and preliminary statements hereto), the following terms shall have the meanings set forth below:

" **ABR** " means the highest of (a) the rate of interest publicly announced by the Agent as its prime rate in effect at its principal office in New York City (the " **Prime Rate** "), (b) the federal funds effective rate from time to time plus 0.50% per annum and (c) the 1-month Eurodollar Rate (as defined below, and taking into account the floor) plus 1.00% per annum.

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

" **Acquisition** " has the meaning set forth in the preliminary statements to this Agreement.

" **Acquisition Agreement** " has the meaning set forth in the preliminary statements to this Agreement.

" **Acquisition Agreement Representations** " means such of the representations and warranties made by or on behalf of HDV Holdings, its Subsidiaries or their respective businesses in the Acquisition Agreement as are material to the interests of the Lenders, but only to the extent that Baseball or any of its applicable Affiliates has the right to terminate its obligations, or decline to consummate the Acquisition under the Acquisition Agreement, as a result of a breach of such representations and warranties.

" **Additional Lender** " has the meaning set forth in Section 2.14(c) .

" **Additional Refinancing Lender** " means, at any time, any Person that is not (w) a Disqualified Lender, (x) any Person that is a Defaulting Lender, (y) a natural Person or (z) Parent, the Holding Companies, the Borrowers or any of their respective Subsidiaries, in each

case, that agrees to provide any portion of Credit Agreement Refinancing Indebtedness pursuant to a Refinancing Amendment in accordance with Section 2.15 ; *provided* that each Additional Refinancing Lender shall be subject to the approval of (i) the Administrative Agent, such approval not to be unreasonably withheld, conditioned or delayed, to the extent that each such Additional Refinancing Lender is not an Affiliate of a then-existing Lender or an Approved Fund, (ii) Borrower Representative and (iii) in the case of a Refinancing Amendment in respect of the Revolving Credit Loans, each L/C Issuer and the Swing Line Lender.

" **Administrative Agent** " means Bank of Montreal, in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent. Unless the context otherwise requires, the term "Administrative Agent" as used herein and in the other Loan Documents shall include the Collateral Agent.

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

" **Administrative Questionnaire** " means an administrative questionnaire in a form supplied by the Administrative Agent with respect to any Lender.

" **Advisory Contract** " shall mean any existing investment advisory, sub-advisory, investment management, trust or similar agreement between HDV Holdings or any of its Subsidiaries and any Person where HDV Holdings or such Subsidiary acts as investment adviser, manager, sub-advisor, sub-manager, or in another similar capacity to such Person.

" **Advisory Services Subsidiary** " means H.D. Vest Advisory Services, Inc.

" **Affected Class** " has the meaning set forth in Section 3.07(a) .

" **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. " **Control** " means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. " **Controlling** " and " **Controlled** " have meanings correlative thereto. For the avoidance of doubt none of the Arranger, the Agents or their respective lending Affiliates shall be deemed to be an Affiliate of any Holding Company, either Borrower or any of their Subsidiaries.

" **Agent-Related Persons** " means the Agents and their respective Affiliates and the respective officers, directors, employees, partners, trustees, agents, advisors, attorneys-in-fact and other representatives of each of the foregoing.

" **Agents** " means, collectively, the Administrative Agent, the Collateral Agent and the Arranger.

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

" **Agreement** " means this Credit Agreement, as the same may be amended, restated, amended and restated, supplemented or otherwise modified from time to time.

" **All-In Yield** " means, as to any Indebtedness, the yield thereof, whether in the form of interest rate margins, OID, upfront fees, an ABR floor greater than 2.00% or a Eurodollar Rate floor greater than 1.00% (with such increased amount being equated to interest margins for purposes of determining any increase to the Applicable Margin) or otherwise, in each case incurred or payable by the Borrowers generally to the Lenders; *provided* that (i) OID and upfront fees shall be equated to an interest rate assuming a four-year life to maturity (or, if less, the stated life to maturity at the time of its incurrence of the applicable Indebtedness), (ii) "All-In Yield" shall not include arrangement fees, structuring fees, commitment fees and underwriting fees or other similar fees not paid generally to all Lenders of such Indebtedness and (iii) if and to the extent such Indebtedness was originally issued with OID or upfront fees and was subsequently repriced through an amendment in connection with which no additional OID or upfront fees were incurred, the OID or upfront fees with respect to the original issuance of such Indebtedness will be taken into account.

" **Annual Financial Statements** " means (a) the audited consolidated balance sheets and related statements of income and cash flows of each of the Parent and HDV Holdings for the fiscal years ended December 31, 2012, December 31, 2013, and December 31, 2014, and (b) unaudited standalone financial statements of income and cash flows of Holdings and its Subsidiaries, on a consolidated basis, for the fiscal years ended December 31, 2012, December 31, 2013, and December 31, 2014.

" **Anti-Corruption Laws** " means the United States Foreign Corrupt Practices Act of 1977 (Pub. L. No. 95 213, §§ 101-104), as amended, the UK Bribery Act of 2010 and any similar laws, rules or regulations issued, administered or enforced by any Governmental Authority having jurisdiction over Parent or any Consolidated Party.

" **Anti-Money Laundering Laws** " means all applicable financial recordkeeping and reporting requirements and the money laundering statutes and the rules and regulations thereunder and any related or similar rules, regulations or guidelines, which in each case are issued, administered or enforced by any Governmental Authority having jurisdiction over Parent or any Consolidated Party, or to which Parent or any Consolidated Party is subject.

" **Applicable ECF Percentage** " means, for any fiscal year, (a) 50%, if the Consolidated First Lien Net Leverage Ratio (determined on a Pro Forma Basis in accordance with Section 1.09) as of the last day of such fiscal year is greater than 3.00 to 1.00, (b) 25%, if the Consolidated First Lien Net Leverage Ratio (determined on a Pro Forma Basis in accordance with Section 1.09) as of the last day of such fiscal year is less than or equal to 3.00 to 1.00 and greater than 2.25 to 1.00 and (c) 0%, if the Consolidated First Lien Net Leverage Ratio (determined on a Pro Forma Basis in accordance with Section 1.09) as of the last day of such fiscal year is less than or equal to 2.25 to 1.00.

" **Applicable Margin** " means a percentage *per annum* equal to:

(a) with respect to Initial Term Loans, (i) for Eurodollar Rate Loans, 6.00% and (B) for ABR Loans, 5.00%; and

(b) with respect to Revolving Credit Loans, Swing Line Loans, unused Revolving Credit Commitments and Letter of Credit fees, (i) until delivery of financial statements for the first full fiscal quarter ending after the Closing Date pursuant to Section 6.01 , (A) for Eurodollar Rate Loans and Letter of Credit fees, 5.00% and (B) for ABR Loans, 4.00% and (C) in the case of the undrawn commitment fees for the Revolving Credit Commitments, 0.50% and (ii) thereafter, the following percentages *per annum* , based upon the Consolidated First Lien Net Leverage Ratio as set forth in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 6.02(a) :

		Applicable Margin		
Pricing Level	Consolidated First Lien Net Leverage Ratio	Eurodollar Rate Loans and Letter of Credit Fees	ABR Loans	Commitment Fee
1	> 3.5	5.00%	4.00%	0.50%
2	≤ 3.50 and > 3.00	4.25%	3.25%	0.375%
3	≤ 3.00 and > 2.50	3.50%	2.50%	0.30%
4	≤ 2.5	2.75%	1.75%	0.25%

Any increase or decrease in the Applicable Margin resulting from a change in the Consolidated First Lien Net Leverage Ratio shall become effective as of the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to Section 6.02(a) ; *provided* that at the option of the Administrative Agent (at the direction of the Required Lenders) or the Required Lenders (following written notice to the Borrower Representative), the highest pricing level shall apply (x) as of the first Business Day after the date on which a Compliance Certificate was required to have been delivered but was not delivered, and shall continue to so apply to and including the date on which such Compliance Certificate is so delivered (and thereafter the pricing level otherwise determined in accordance with this definition shall apply) and (y) as of the first Business Day after an Event of Default under Section 8.01(a) or 8.01(f) shall have occurred and be continuing, and shall continue to so apply to but excluding the date on which such Event of Default is cured or waived (and thereafter the pricing level otherwise determined in accordance with this definition shall apply).

Notwithstanding the foregoing, (v) the Applicable Margin in respect of any Class of Extended Revolving Credit Commitments or any Extended Term Loans or Revolving Credit Loans made pursuant to any Extended Revolving Credit Commitments shall be the applicable percentages *per annum* set forth in the relevant Extension Amendment, (w) the Applicable Margin in respect of any Revolving Commitment Increase, any Class of Incremental Term Loans or any Class of Incremental Revolving Loans shall be the applicable percentages *per annum* set forth in the relevant Incremental Amendment, (x) the Applicable Margin in respect of any Class of Replacement Term Loans shall be the applicable percentages *per annum* set forth in the relevant agreement, (y) the Applicable Margin in respect of any Class of Refinancing Revolving Credit Commitments, any Class of Refinancing Revolving Credit Loans or any Class of Refinancing Term Loans shall be the applicable percentages *per annum* set forth in the applicable Refinancing Amendment and (z) in the case of the Initial Term Loans, the Applicable Margin shall be increased as, and to the extent, necessary to comply with the provisions of Section 2.14 .

In the event that any financial statement or certificate delivered pursuant to Section 6.01 or 6.02(a) is shown to be inaccurate (at a time when this Agreement is in effect and unpaid Obligations under this Agreement are outstanding (other than contingent obligations in respect of which no assertion of liability (whether oral or written) and no claim or demand for payment (whether oral or written) has been made (and, in the case of Obligations for indemnification, no notice for indemnification has been issued by the indemnitee) at such time), and such inaccuracy, if corrected, would have led to the application of a higher Applicable Margin for any period (an " **Applicable Period** ") than the Applicable Margin applied for such Applicable Period, then (x) the Borrower Representative shall immediately deliver to the Administrative Agent a correct Compliance Certificate required by Section 6.02(a) for such Applicable Period and (y) the Borrowers shall

immediately pay to the Administrative Agent the accrued additional interest owing as a result of such increased Applicable Margin for such Applicable Period. Nothing in this paragraph shall limit the rights of the Administrative Agent or any Lender under Section 2.08(b) or Article VIII .

" **Applicable Requirements** " shall mean, in respect of any Indebtedness, that such Indebtedness satisfies the following requirements:

(a) (i) if such Indebtedness is secured on a *pari passu* basis by the Collateral, such Indebtedness shall not mature earlier than the Latest Maturity Date of the Term Loans outstanding at the time of incurrence of such Indebtedness, and (ii) in the case of any other Indebtedness, such Indebtedness shall not mature earlier than 91 days after the Latest Maturity Date of the Term Loans outstanding at the time of incurrence of such Indebtedness;

(b) (i) in respect of any Indebtedness that is not revolving in nature, such Indebtedness does not have greater amortization or mandatory prepayments than the Initial Term Loans and (ii) in respect of any Indebtedness that is revolving in nature, such Indebtedness shall not mature earlier than the Maturity Date of the Revolving Credit Facility or have amortization or scheduled mandatory commitment reductions (other than at maturity);

(c) such Indebtedness shall have a Weighted Average Life to Maturity not shorter than the remaining Weighted Average Life to Maturity of the Term Loans outstanding at the time of incurrence of such Indebtedness;

(d) if such Indebtedness is secured by the Collateral, a Senior Representative acting on behalf of the holders of such Indebtedness has become party to a Customary Intercreditor Agreement (or any Customary Intercreditor Agreement has been amended or replaced in a manner reasonably acceptable to the Borrower Representative and the Administrative Agent, which results in such Senior Representative having rights to share in the Collateral on a *pari passu* basis or a junior lien basis, as applicable);

(e) if such Indebtedness is subordinated in right of payment to the Obligations, then such Indebtedness shall be subordinated on terms reasonably satisfactory to the Administrative Agent;

(f) if such Indebtedness is secured on a *pari passu* basis by the Collateral, (i) if the All-In Yield in respect of such Indebtedness exceeds the All-In Yield in respect of any then-existing Initial Term Loans by more than 0.50%, the Applicable Margin of such then existing Initial Term Loans shall be adjusted such that the All-In Yield of such then existing Initial Term Loans equals the All-In Yield of such Indebtedness *minus* 0.50%; *provided* that if such Indebtedness includes a Eurodollar Rate floor greater than 1.00% *per annum* or an ABR floor greater than 2.00% *per annum* , such differential between the Eurodollar Rate floor or the ABR floor, as the case may be, shall be equated to the applicable All-In Yield for purposes of determining whether an increase to the interest rate margin under the Initial Term Loans shall be required, but only to the extent an increase in the Eurodollar Rate floor or ABR floor in the Initial Term Loans, as the case may be, would cause an increase in the interest rate then in effect thereunder, and in such case, the Eurodollar Rate floor or ABR floor (but not the interest rate margin), applicable to the Initial Term Loans shall be increased to the extent of such differential between the Eurodollar Rate floors or ABR floors, as the case may be, and (ii) if the All-In Yield in respect of such Indebtedness constituting revolving loan commitments exceeds the All-In Yield in respect of any then-existing Revolving Credit Commitments by more than 0.50%, the Applicable Margin of such then existing Revolving Credit Commitments shall be adjusted such that the All-In Yield of such then existing Revolving Credit Commitments equals the All-In Yield of such Indebtedness *minus* 0.50%, effective upon the incurrence of such Indebtedness;

(g) to the extent such Indebtedness is secured, it is not secured by any property or assets of any Consolidated Party other than the Collateral (it being agreed that such Indebtedness shall not be required to be secured by all of the Collateral); *provided* that Indebtedness that may be incurred by Restricted Subsidiaries that are not Guarantors pursuant to Section 7.03(r) may be secured by assets of such Restricted Subsidiaries;

(h) such Indebtedness shall not be guaranteed by any Person other than any Loan Party and shall not have any obligors other than any Loan Party, other than to the extent such Indebtedness may be incurred by a Person other than a Loan Party pursuant to Section 7.03(r) ;

(i) the other terms and conditions of such Indebtedness (excluding pricing, fees, rate floors, premiums, optional prepayment or optional redemption provisions) are (i) not materially less favorable (when taken as a whole) to the Consolidated Parties than those set forth in the Loan Documents (when taken as a whole) or (ii) on customary terms for "high yield" notes of the type being incurred at the time of incurrence (it being agreed that such Indebtedness may be in the form of notes or a credit agreement), except in each case for covenants or other provisions contained in such Indebtedness that are applicable only after the then Latest Maturity Date; and

(j) the holders of such Indebtedness may participate on a *pro rata* basis or less than *pro rata* basis (but not on a greater than *pro rata* basis) in any voluntary or mandatory prepayments of Term Loans then outstanding;

provided that a certificate of a Responsible Officer of the Borrower Representative delivered to the Administrative Agent at least five

Business Days prior to the incurrence of such Indebtedness, together with a reasonably detailed description of the material terms and conditions of such Indebtedness or drafts of the documentation relating thereto, stating that the Borrower Representative has determined in good faith that such terms and conditions satisfy the requirements of this definition, shall be conclusive evidence that such terms and conditions satisfy the requirements of this definition unless the Administrative Agent notifies the Borrower Representative within such five Business Day period that it disagrees with such determination (including a reasonable description of the basis upon which it disagrees).

" **Appropriate Lender** " means, at any time, (a) with respect to Loans of any Class, the Lenders of such Class and (b) with respect to Letters of Credit, (i) the relevant L/C Issuers and (ii) the Revolving Credit Lenders.

" **Approved Bank** " has the meaning set forth in clause (c) of the definition of "Cash Equivalents."

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

" **Arranger** " means BMO Capital Markets Corp., in its capacity as sole lead arranger and sole bookrunner under this Agreement.

" **Assignee** " has the meaning set forth in Section 10.07(b) .

" **Assignment and Assumption** " means an Assignment and Assumption substantially in the form of Exhibit I hereto or any other form approved by the Administrative Agent.

" **Assignment Taxes** " has the meaning set forth in Section 3.01(b) .

" **Attorney Costs** " means and includes all reasonable and documented fees, expenses and disbursements of any law firm or other external legal counsel.

" **Attributable Indebtedness** " means, on any date, in respect of any Capitalized Lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP.

" **AUM** " shall mean assets of any Person (whether held on the BD Subsidiary's brokerage platform or held by a mutual fund, insurance company or other Person or otherwise under management pursuant to an Advisory Contract) for which HDV Holdings or one of its Subsidiaries is the investment adviser, broker-dealer or agent of record.

" **Auto-Extension Letter of Credit** " has the meaning set forth in Section 2.03(b)(iii) .

2 " **Available Amount** " means, at any date, an amount, not less than zero in the aggregate, determined on a cumulative basis equal to, without duplication:

(a) 100% of the aggregate cumulative amount, not less than zero, of Retained Excess Cash Flow for all Excess Cash Flow Periods completed after the Closing Date and prior to the date of determination, *plus*

(b) 100% of the aggregate amount of contributions to the common capital of Holdings or the net proceeds of the issuance of Qualified Equity Interests of Holdings contributed, directly or indirectly, to any Borrower as a contribution to the common capital of such Borrower, received in cash and Cash Equivalents after the Closing Date (other than any amount designated as a Cure Amount or any amount that is received from Parent pursuant to Section 4.01 of the Parent Guaranty), *minus*

(c) any amount of the Available Amount used to make Investments pursuant to Section 7.02(s) after the Closing Date and prior to such time, *minus*

(d) any amount of dividends, distributions or other Restricted Payments pursuant to Section 7.06(h) after the Closing Date and prior to such time, *minus*

(e) any amount of the Available Amount used to make payments or distributions in respect of Junior Financings pursuant to Section 7.13 after the Closing Date and prior to such time.

" **Availability Period** " means, with respect to the Revolving Credit Commitments, the period from and including the Closing Date to the earliest of (a) the Maturity Date of the Revolving Credit Facility, (b) the date of termination of the aggregate Revolving Credit Commitments pursuant to Section 2.06, and (c) the date of termination of the commitment of each Lender to make Loans and of the obligation of the L/C Issuers to make L/C Credit Extensions pursuant to Section 8.02 .

" **Bail-in Action** " means the application of any write-down or conversion powers by an EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

" **Bank** " means any Person that is a Lender, Agent or an Arranger, or an Affiliate of any of the foregoing, at the time it enters into a

Secured Hedge Agreement or a Treasury Services Agreement (notwithstanding that such Bank may cease to be a Lender, an Agent, an Arranger or an Affiliate of any of the foregoing after entering into a Secured Hedge Agreement or a Treasury Services Agreement), as applicable, in its capacity as a party thereto and that (other than in the case of an Agent, Arranger or Affiliate of the foregoing) has been specifically designated a "Bank" with respect to such Secured Hedge Agreement or Treasury Services Agreement, as applicable, in a writing from the Borrower Representative to the Administrative Agent, and (other than a Person already party hereto as a Lender, Agent or Arranger) that delivers to the Administrative Agent a letter agreement reasonably satisfactory to it (i) appointing the Administrative Agent as its agent under the applicable Loan Documents and (ii) agreeing to be bound by Sections 10.05 , 10.15 and 10.16 and Article IX as if it were a Lender.

" **BD Subsidiary** " shall mean H.D. Vest Investment Securities, Inc.

" **Borrower** " and " **Borrowers** " have the meanings set forth in the introductory paragraph to this Agreement.

" **Borrower Materials** " has the meaning set forth in Section 6.01 .

" **Borrower Representative** " means TaxACT.

" **Borrowing** " means a Revolving Credit Borrowing, a Swing Line Borrowing, or a Term Borrowing, as the context may require.

" **Business Day** " means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the State of New York, and, if such day relates to any Eurodollar Rate Loan, means any such day that is also a London Banking Day.

" **Capital Expenditures** " means, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities and including in all events all amounts expended or capitalized under Capitalized Leases) by the Borrowers and their Restricted Subsidiaries during such period that, in conformity with GAAP, are or are required to be included as capital expenditures on the consolidated statement of cash flows of the Borrowers and their Restricted Subsidiaries.

" **Capitalized Leases** " means all leases that have been or are required to be, in accordance with GAAP, recorded as capitalized leases; *provided* that for all purposes hereunder the amount of obligations under any Capitalized Lease shall be the amount thereof accounted for as a liability in accordance with GAAP.

" **Cash Collateral** " has the meaning set forth in Section 2.03(g) .

" **Cash Collateral Account** " means a blocked account at a commercial bank selected by the Administrative Agent, in the name of the Administrative Agent and under the sole dominion and "control" (within the meaning of the UCC) of the Administrative Agent, and otherwise established in a manner reasonably satisfactory to the Administrative Agent.

" **Cash Collateralize** " has the meaning set forth in Section 2.03(g) .

3 " **Cash Equivalents** " means any of the following types of Investments, to the extent owned by any Consolidated Party:

(a) Dollars;

(b) readily marketable obligations issued or directly and fully guaranteed or insured by the government or any agency or instrumentality of the United States having average maturities of not more than 12 months from the date of acquisition thereof; *provided* that the full faith and credit of the United States is pledged in support thereof;

(c) time deposits or eurodollar time deposits with, insured certificates of deposit, bankers' acceptances or overnight bank deposits of, or letters of credit issued by, any commercial bank that (i) is a Lender or (ii)(A) is organized under the Laws of the United States, any state thereof, the District of Columbia or any member nation of the Organization for Economic Cooperation and Development or is the principal banking Subsidiary of a bank holding company organized under the Laws of the United States, any state thereof, the District of Columbia or any member nation of the Organization for Economic Cooperation and Development and is a member of the Federal Reserve System, and (B) has combined capital and surplus of at least $500,000,000 or $250,000,000 in the case of any non-U.S. bank (any such bank in the foregoing clauses (i) or (ii) being an " **Approved Bank** "), in each case with maturities not exceeding 12 months from the date of acquisition thereof;

(d) commercial paper and variable or fixed rate notes issued by an Approved Bank (or by the parent company thereof) or any variable or fixed rate note issued by, or guaranteed by, a corporation (other than structured investment vehicles and other than corporations used in structured financing transactions) and rated A-1 (or the equivalent thereof) or better by S&P or Prime-1 (or the equivalent thereof) or better by Moody's, in each case with maturities of not more than 12 months from the date of acquisition thereof;

(e) marketable short-term money market and similar funds having a rating of at least P-2 or A-2 from either Moody's or

S&P, respectively (or, if at any time neither Moody's nor S&P shall be rating such obligations, an equivalent rating from another nationally recognized statistical rating agency selected by the Borrower Representative) and, in each case, maturing within 12 months after the date of creation or acquisition thereof;

(f) repurchase obligations for underlying securities of the types described in clauses (b) , (c) and (e) above entered into with any Approved Bank;

(g) readily marketable direct obligations with average maturities of 12 months or less from the date of acquisition issued by any state, commonwealth or territory of the United States, or any political subdivision or taxing authority thereof, in each case having an investment grade rating from either S&P or Moody's (or the equivalent thereof);

(h) Investments (other than in structured investment vehicles and structured financing transactions) with average maturities of 12 months or less from the date of acquisition in money market funds rated AAA- (or the equivalent thereof) or better by S&P or Aaa3 (or the equivalent thereof) or better by Moody's;

(i) securities with maturities of 12 months or less from the date of acquisition backed by standby letters of credit issued by any Approved Bank;

(j) in the case of any Foreign Subsidiary, such local currencies in those countries in which such Foreign Subsidiary transacts business from time to time in the ordinary course of business;

(k) Investments, classified in accordance with GAAP as Current Assets of any Consolidated Party, in money market investment programs which are registered under the Investment Company Act of 1940 or which are administered by financial institutions having capital of at least $500,000,000, and, in either case, the portfolios of which are limited such that substantially all of such Investments are of the character, quality and maturity described in clauses (a) through (i) above; and

(l) investment funds investing at least 95% of their assets in securities of the types described in clauses (a) through (k) above.

4 " **Cash Management Obligations** " means obligations owed by any Consolidated Party to any Bank in respect of any overdraft and related liabilities arising from treasury, depository, credit card, debit card and cash management services or any automated clearing house transfers of funds, in each case, pursuant to a Treasury Services Agreement, in each case, to the extent designated by the Borrower Representative and such Bank as "Cash Management Obligations" in writing to the Administrative Agent. The designation of any Cash Management Obligations shall not create in favor of such Bank any rights in connection with the management or release of any Collateral or of the obligations of any Guarantor under the Loan Documents.

" **Casualty Event** " means any event that gives rise to the receipt by any Consolidated Party of any insurance proceeds or condemnation awards in respect of any equipment, fixed assets or real property (including any improvements thereon) to replace or repair such equipment, fixed assets or real property.

" **Certain Funds Provision** " has the meaning set forth in the Commitment Letter.

" **CFC** " means a controlled foreign corporation within the meaning of Section 957 of the Code.

5 " **Change of Control** " shall be deemed to occur if:

(a) any "person" or "group" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Closing Date, but excluding any employee benefit plan of such person and its Subsidiaries and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) shall have, directly or indirectly, acquired beneficial ownership of Equity Interests representing 35% or more of the aggregate voting power represented by the issued and outstanding Equity Interests of Parent;

(b) excluding the replacement of members of the Board of Directors of HDV Holdings or HD VEST within 30 days from the consummation of the Acquisition, a majority of the Board of Directors of any Holding Company or either Borrower is replaced over a two-year period from the directors who constituted the respective Board of Directors at the beginning of such period, and such replacement shall not have been approved by a vote of at least a majority of the Board of Directors of any Holding Company or either Borrower, as applicable, then still in office who either were members of such Board of Directors at the beginning of such period or whose election as a member of such Board of Directors was previously so approved;

(c) a "change of control" (or similar event) shall occur in any document pertaining to any Indebtedness of any Consolidated Party with an aggregate outstanding principal amount in excess of the Threshold Amount;

(d) Parent shall cease to own directly, beneficially and of record, 100% of the issued and outstanding Equity Interests of Holdings;

(e) Holdings shall cease to own directly, beneficially and of record, (i) 100% of the issued and outstanding Equity Interests of TaxACT or (ii) at least 95% of the issued and outstanding Equity Interests of Baseball;

(f) Baseball shall cease to own, directly, beneficially and of record, 100% of the issued and outstanding Equity Interests of either HDV Holdings or HD Vest;

(g) HDV Holdings shall cease to own, directly, beneficially and of record, 100% of the issued and outstanding Equity Interests of HD Vest; and

(h) HDVest shall cease to own, directly, beneficially and of record, 100% of the issued and outstanding Equity Interests of the BD Subsidiary and the Advisory Services Subsidiary.

" **Class** " (a) when used with respect to any Lender, refers to whether such Lender has a Loan or Commitment with respect to a particular Class of Loans or Commitments, (b) when used with respect to Commitments, refers to whether such Commitments are Revolving Credit Commitments, Extended Revolving Credit Commitments of a given Extension Series, Refinancing Revolving Credit Commitments of a given Refinancing Series, Initial Term Commitments, Incremental Term Commitments, Refinancing Term Commitments of a given Refinancing Series or Commitments in respect of Replacement Term Loans and (c) when used with respect to Loans or a Borrowing, refers to whether such Loans, or the Loans comprising such Borrowing, are Revolving Credit Loans, Revolving Credit Loans under Extended Revolving Credit Commitments of a given Extension Series, Incremental Revolving Loans, Revolving Credit Loans under Refinancing Revolving Credit Commitments of a given Refinancing Series, Initial Term Loans, Extended Term Loans of a given Extension Series, Incremental Term Loans, Refinancing Term Loans of a given Refinancing Series or Replacement Term Loans. Commitments (and in each case, the Loans made pursuant to such Commitments) that have different terms and conditions shall be construed to be in different Classes. Commitments (and, in each case, the Loans made pursuant to such Commitments) that have the same terms and conditions shall be construed to be in the same Class.

" **Closing Date** " means December 31, 2015.

" **Closing Date Material Adverse Effect** " means (all defined terms used in this sentence and defined in the Acquisition Agreement to have the meanings set forth in the Acquisition Agreement): any change, effect, event, occurrence, state of facts or development that, individually or in the aggregate, is or would reasonably be expected to be materially adverse to (a) the business, assets, liabilities, financial condition or results of operations of the Company and its Subsidiaries taken as a whole or (b) the consummation of the transactions contemplated by the Acquisition Agreement; provided, however, that none of the following shall be deemed, either alone or in combination, to constitute, and none of the following shall be taken into account in determining whether there has been or will be, a Closing Date Material Adverse Effect: any change, effect, event, occurrence, state of facts or development attributable to (i) the negotiation, execution, announcement or pendency of the transactions contemplated by the Acquisition Agreement, including the impact thereof on relationships, contractual or otherwise, with, or actual or potential loss or impairment of, customers, suppliers, partners or employees, or on revenue, profitability and cash flows; (ii) conditions affecting the industry in which the Company and its Subsidiaries participate, the U.S. or world economy as a whole or the U.S. or global capital or financial markets in general or the markets in which the Company and its Subsidiaries operate; (iii) compliance with the terms of, or the taking of any action required by, the Stock Purchase Agreement; (iv) the taking of any action, or failing to take any action, at the request of New Sub, or the taking of any action by New Sub, in each case, with the prior written consent for the underlying action by the Lead Arranger; (v) any change in applicable Laws or the interpretation thereof; (vi) actions required to be taken under applicable Laws; (vii) any change in GAAP or other accounting requirements or principles; (viii) any change in the cost or availability or other terms of any financing to be obtained by New Sub; (ix) any failure (as distinguished from any change, effect, event, occurrence, state of facts or development giving rise to or contributing to such failure) by the Company and its Subsidiaries to meet financial forecasts, projections or estimates; or (x) national or international political or social conditions, including the commencement, continuation or escalation of a war, material armed hostilities or other material international or national calamity or act of terrorism; except in each of the foregoing clauses (ii), (v), (vi), (vii) or (x), excluding any such change, effect, event, occurrence, state of facts or development that has a disproportionate effect on the Company or its Subsidiaries in comparison to other participants in industries in which the Company and its Subsidiaries operate.

" **Closing Fees** " has the meaning set forth in Section 2.09(c) .

" **Code** " means the U.S. Internal Revenue Code of 1986, as amended from time to time (unless as specifically provided otherwise).

" **Collateral** " means the "Collateral" as defined in the Security Agreement and all the "Collateral" or "Pledged Assets" as defined in any other Collateral Document and any other assets pledged pursuant to any Collateral Document (but in any event excluding the Excluded Assets).

" **Collateral Agent** " means Bank of Montreal, in its capacity as collateral agent under any of the Collateral Documents, or any successor collateral agent.

6 " **Collateral and Guarantee Requirement** " means, at any time, the requirement that:

(a) the Administrative Agent shall have received each Collateral Document required to be delivered (i) on the Closing Date, pursuant to Section 4.01(a)(iv) and (ii) at such time as may be designated therein, pursuant to the Collateral Documents or Section 6.11 or 6.13 , subject, in each case, to the limitations and exceptions of this Agreement, duly executed by each Loan Party thereto;

(b) all Obligations shall have been (i) unconditionally guaranteed by each Holding Company, each Borrower and each existing and subsequently acquired or organized Restricted Subsidiary of the Borrowers that is a direct or indirect wholly-owned Material Domestic Subsidiary (other than any Excluded Subsidiary) including those that are listed on Schedule I hereto (each, a " **Guarantor** ") and (ii) guaranteed by Parent pursuant to the Parent Guaranty; provided that recourse to Parent shall be limited solely to Parent's Equity Interests in Holdings and the proceeds thereof;

(c) the Obligations and the Guaranty shall have been secured by a first-priority security interest (subject to Liens permitted by Section 7.01) in (i) all of the Equity Interest of each Holding Company, (ii) all of the Equity Interests of each Borrower, (iii) all of the Equity Interests of each wholly-owned Restricted Subsidiary that is a Material Domestic Subsidiary, and (iv) 65% of the voting stock and 100% of the non-voting stock of each first-tier CFC or CFC Holding Company (other than, in each case of foregoing clauses (i) , (ii) and (iii) , to the extent constituting an Excluded Asset);

(d) except to the extent otherwise provided hereunder, including subject to Liens permitted by Section 7.01 , or under any Collateral Document, the Obligations and the Guaranty shall have been secured by a perfected first-priority security interest (to the extent such security interest may be perfected by delivering certificated securities, filing financing statements under the Uniform Commercial Code or making any necessary filings with the United States Patent and Trademark Office or United States Copyright Office or to the extent required in the Security Agreement) in the Collateral of Parent, the Borrowers and each Guarantor (including accounts, inventory, equipment, investment property, contract rights, applications and registrations of intellectual property filed in the United States, other general intangibles, Material Real Property, intercompany notes, cash, deposit accounts, securities accounts and proceeds of the foregoing), in each case, (i) with the priority required by the Collateral Documents and (ii) subject to exceptions and limitations otherwise set forth in this Agreement (for the avoidance of doubt, including the limitations and exceptions set forth in Section 4.01) and the Collateral Documents; and

(e) the Administrative Agent shall have received (i) counterparts of a Mortgage with respect to each Material Real Property (other than Excluded Assets) owned by a Borrower or a Guarantor and required to be delivered pursuant to Sections 6.11 and 6.13 (the " **Mortgaged Properties** ") duly executed and delivered by the applicable Loan Party, (ii) a title insurance policy for such property available in each applicable jurisdiction (the " **Mortgage Policies** ") insuring the Lien of each such Mortgage as a valid first-priority Lien on the property described therein, free of any other Liens except as permitted by Section 7.01 , together with such endorsements, coinsurance and reinsurance and in such amounts as the Administrative Agent may reasonably request, (iii) a completed Life-of-Loan Federal Emergency Management Agency Standard Flood Hazard Determination with respect to each Mortgaged Property (together with a notice about special flood hazard area status and flood disaster assistance duly executed by the Borrowers and each other Loan Party relating thereto) and, if any improvements on any Mortgaged Property are located within an area designated a "flood hazard area," evidence of such flood insurance as may be required under Section 6.07 , (iv) ALTA surveys in form and substance reasonably acceptable to the Administrative Agent or such existing surveys together with no-change affidavits sufficient for the title company to remove all standard survey exceptions from the Mortgage Policies and issue the endorsements required in clause (ii) above and (v) such legal opinions and other documents as the Administrative Agent may reasonably request with respect to any such Mortgaged Property;

provided , *however* , that (i) the foregoing definition shall not require, and the Loan Documents shall not contain any requirements as to, (A) the creation or perfection of pledges of, security interests in, Mortgages on, or the obtaining of title insurance, surveys, abstracts or appraisals or taking other actions with respect to any Excluded Assets, (B) the perfection of pledges of or security interests in motor vehicles and other assets subject to certificates of title to the extent a Lien thereon cannot be perfected by the filing of a Uniform Commercial Code financing statement (or the equivalent) or (C) the obtaining of any landlord waivers, estoppels or collateral access letters, and (ii) the Liens required to be granted from time to time pursuant to the Collateral and Guarantee Requirement shall be subject to exceptions and limitations set forth in this Agreement and the Collateral Documents.

The Administrative Agent may grant extensions of time for the perfection of security interests in, or the delivery of the Mortgages and the obtaining of title insurance and surveys with respect to, particular assets and the delivery of assets (including extensions beyond the Closing Date for the perfection of security interests in the assets of the Loan Parties on such date) or any other compliance with the requirements of this definition where it reasonably determines, in consultation with the Borrower Representative, that perfection or compliance cannot be accomplished without undue effort or expense by the time or times at which it would otherwise be required by this Agreement, the Collateral Documents or any other Loan Documents.

No actions in any non-U.S. jurisdiction or required by the Laws of any non-U.S. jurisdiction shall be required in order to create any security interests in assets located or titled outside of the U.S. or to perfect such security interests (it being understood that there shall be no

security agreements or pledge agreements governed under the Laws of any non-U.S. jurisdiction).

" **Collateral Documents** " means, collectively, the Security Agreement, the Pledge Agreement, the Parent Guaranty, each Customary Intercreditor Agreement, the Intellectual Property Security Agreements, the Mortgages, collateral assignments, Security Agreement Supplements, the Control Agreements, security agreements, pledge agreements or other similar agreements delivered to the Administrative Agent pursuant to Section 4.01(a)(iv) , 6.11 or 6.13 and each of the other agreements, instruments or documents that creates or purports to create a Lien or Guarantee in favor of the Administrative Agent or the Collateral Agent for the benefit of the Secured Parties.

" **Committed Loan Notice** " means a written notice of (a) a Borrowing, (b) a conversion of Loans from one Type to the other or (c) a continuation of Eurodollar Rate Loans pursuant to Section 2.02(a) , which shall be substantially in the form of Exhibit A-1 hereto.

" **Commitment** " means a Revolving Credit Commitment, Extended Revolving Credit Commitment of a given Extension Series, Revolving Commitment Increase, Refinancing Revolving Credit Commitment of a given Refinancing Series, Initial Term Commitment, Incremental Term Commitment, Refinancing Term Commitment of a given Refinancing Series or a Commitment in respect of Replacement Term Loans, as the context may require.

" **Commitment Letter** " means the Commitment Letter, dated October 14, 2015, among Parent, the Lead Arranger, and the Affiliates of the Lead Arranger party thereto.

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

" **Compensation Period** " has the meaning set forth in Section 2.12(c)(ii) .

" **Compliance Certificate** " means a certificate substantially in the form of Exhibit B hereto.

" **Connection Income Taxes** " means any Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes, in each case as a result of any present or former connection between a Lender or Agent and jurisdiction imposing such Tax (other than any connections arising solely from executing, delivering, being a party to, performing its obligations under, receiving payments under, receiving or perfecting a security interest under, engaging in any other transaction pursuant to, or enforcing, any Loan Document, or selling or assigning an interest in a Loan or Loan Document).

" **Consolidated EBITDA** " means, for any period, the Consolidated Net Income for such period, *plus* :

(a) without duplication and, to the extent deducted (and not added back or excluded) in arriving at such Consolidated Net Income, the sum of the following amounts for such period with respect to the Consolidated Parties:

(i) Consolidated Interest Expense for such period;

(ii) without duplication, income and franchise tax expense during such period ;

(iii) amortization (including, without limitation, amortization of OID (for avoidance of doubt, including any Transaction Expenses attributable to OID)), depreciation and other non-cash charges for such period (except to the extent that such non-cash charges represent an accrual or reserve for potential cash charges to be taken in the future) ;

(iv) (A) extraordinary charges, expenses or losses (including legal expenses in connection therewith) and (B) unusual or non-recurring charges, expenses or losses (including legal expenses in connection therewith) in an aggregate amount for all cash items added pursuant to this subclause (B) and clause (vi) not to exceed (1) 10% of Consolidated EBITDA for such Test Period and (2) when aggregated with the aggregate amount for all cash items added pursuant to any pro forma adjustments during such period pursuant to Section 1.09 and clauses (a)(vi), (a)(vii) and (a)(ix) of the definition of "Consolidated EBITDA," 15% of Consolidated EBITDA for such Test Period (giving pro forma effect to the relevant Specified Transaction (but not to any cost savings or synergies)) ;

(v) non-cash charges, expenses or losses (except to the extent that such non-cash charges represent an accrual or reserve for potential cash charges to be taken in the future);

(vi) integration costs, transition costs, consolidation and restructuring costs, costs incurred during such period in connection with any non-recurring strategic initiatives, acquisitions and non-recurring intellectual property development after the Closing Date, other non-recurring business optimization expenses or consulting programs (including non-recurring costs and expenses relating to business optimization programs, new systems design, technology upgrades and implementation costs), and other restructuring charges, accruals or reserves (including restructuring costs related to acquisitions after the Closing Date and "growth projects"), in each case determined on a consolidated basis in accordance with GAAP and to the extent deducted in computing Consolidated Net Income for such period, in an aggregate amount for all cash items added

pursuant to this clause (vi) and subclause (B) of clause (iv) not to exceed (1) 10% of Consolidated EBITDA for such Test Period and (2) when aggregated with the aggregate amount for all cash items added pursuant to any pro forma adjustments during such period pursuant to Section 1.09 and clauses (a)(iv)(B), (a)(vii) and (a)(ix) of the definition of "Consolidated EBITDA," 15% of Consolidated EBITDA for such Test Period (giving pro forma effect to the relevant Specified Transaction (but not to any cost savings or synergies));

(vii) other customary transaction costs, fees and expenses, or any amortization thereof, related to the Transactions (including Transaction Expenses in an amount not to exceed $23,750,000) and, to the extent permitted under the Loan Documents, any Permitted Acquisitions, Investments pursuant to Section 7.02(o) and (s), Dispositions, issuances of Equity Interests and issuances, amendments, modifications, refinancings or repayments of Indebtedness (in each case, including any such transaction consummated on the Closing Date and any such transaction undertaken but not completed in an aggregate amount not to exceed $2,500,000 for all such uncompleted transactions for any such period), in each case to the extent deducted in computing Consolidated Net Income for such period and when aggregated with the aggregate amount for all cash items added pursuant to any pro forma adjustments during such period pursuant to Section 1.09 and clauses (a)(iv)(B), (a)(vi) and (a)(ix) of the definition of "Consolidated EBITDA," not to exceed 15% of Consolidated EBITDA for such Test Period (giving pro forma effect to the relevant Specified Transaction (but not to any cost savings or synergies)) ;

(viii) the amount of any minority interest expense consisting of Subsidiary income attributable to minority equity interests of third parties in Baseball (not in excess of 5% of the issued and outstanding Equity Interests thereof) deducted in calculating Consolidated Net Income (and not added back in such period to Consolidated Net Income); and

(ix) legal expenses and fines related to regulatory proceedings related to the business of the BD Subsidiary and the Advisory Services Subsidiary in a cumulative aggregate amount not to exceed $10,000,000, and when aggregated with the aggregate amount for all cash items added pursuant to any pro forma adjustments during such period pursuant to Section 1.09 and clauses (a)(iv)(B), (a)(vi) and (a)(vii) of the definition of "Consolidated EBITDA," not to exceed 15% of Consolidated EBITDA for such Test Period (giving pro forma effect to the relevant Specified Transaction (but not to any cost savings or synergies)) ; *minus*

(b) without duplication and to the extent included in arriving at such Consolidated Net Income, (i) non-cash gains (excluding any non-cash gain to the extent it represents the reversal of an accrual or reserve for a potential cash item that reduced Consolidated EBITDA in any prior period) including non-cash gains as a result of last-in first -out and/or first-in first-out methods of accounting, (ii) any net gain from disposed, abandoned or discontinued operations or product lines, (iii) any extraordinary, unusual or non-recurring net gains and (iv) the amount of any minority interest income attributable to minority interests or non-controlling interests of third parties in any non-wholly-owned Restricted Subsidiary.

7 For the avoidance of doubt, Consolidated EBITDA shall be calculated, including *pro forma* adjustments, in accordance with Section 1.09 . Notwithstanding anything to the contrary contained herein, for purposes of determining Consolidated EBITDA under this Agreement for any period that includes any of the fiscal quarters ended December 31, 2014, March 31, 2015, June 30, 2015, and September 30, 2015, Consolidated EBITDA for such fiscal quarters shall be $7,925,498, $52,333,751, $30,833,242 and $9,296.763, respectively.

" **Consolidated First Lien Net Debt** " means, as of any date of determination, (a) the aggregate principal amount of any Indebtedness described in clause (a) of the definition of "Consolidated Total Net Debt" outstanding on such date that is secured by a Lien, on a first lien or pari passu basis with the Facilities (including Indebtedness incurred pursuant to Section 7.03(e)), on any asset or property of any Consolidated Party *minus* (b)(i) Unrestricted cash and Cash Equivalents that are subject to a Control Agreement in favor of the Collateral Agent for the benefit of the Secured Parties and (ii) cash and Cash Equivalents Restricted in favor of the Collateral Agent for the benefit of the Secured Parties, in each case, (x) that are or should, in accordance with GAAP, be included on the consolidated balance sheet of Parent with respect to the Consolidated Parties as of such date, and (y) for all purposes other than the calculation of Consolidated First Lien Net Leverage Ratio for purposes of determining the Applicable Margin, in an aggregate amount not to exceed $50,000,000; *provided* that Consolidated First Lien Net Debt shall not include Indebtedness in respect of letters of credit, except to the extent of unreimbursed amounts thereunder. For the avoidance of doubt, it is understood that obligations (i) under Swap Contracts and Treasury Services Agreements and (ii) owed by Unrestricted Subsidiaries do not constitute Consolidated First Lien Net Debt.

" **Consolidated First Lien Net Leverage Ratio** " means, with respect to any Test Period, the ratio of (a) Consolidated First Lien Net Debt as of the last day of such Test Period to (b) Consolidated EBITDA for such Test Period.

8 " **Consolidated Interest Expense** " means, for any period, the sum of the following determined on a consolidated basis, without duplication, for the Consolidated Parties in accordance with GAAP, interest expense (including, without limitation, interest expense attributable to Capital Leases and all net payment obligations pursuant to Hedge Agreements) for such period.

9 " **Consolidated Net Income** " means, for any period, the net income (or loss) of the Consolidated Parties for such period, determined on a consolidated basis, without duplication, in accordance with GAAP; *provided* , that in calculating Consolidated Net Income of the Consolidated Parties for any period, there shall be excluded the net income (or loss) of any Person (other than a Subsidiary), in which any Consolidated Party has a joint interest with a third party, except to the extent such net income is actually paid in cash to any Consolidated

Party by dividend or other distribution during such period.

For the avoidance of doubt, (other than for purposes of calculating Excess Cash Flow) Consolidated Net Income shall be calculated, including *pro forma* adjustments, in accordance with Section 1.09 .

" **Consolidated Parties** " means the Holding Companies, the Borrowers and their Restricted Subsidiaries.

" **Consolidated Secured Net Debt** " means, as of any date of determination, (a) the aggregate principal amount of any Indebtedness described in clause (a) of the definition of "Consolidated Total Net Debt" outstanding on such date that is secured by a Lien on any asset or property of any Consolidated Party *minus* (b)(i) Unrestricted cash and Cash Equivalents that are subject to a Control Agreement in favor of the Collateral Agent for the benefit of the Secured Parties and (ii) cash and Cash Equivalents Restricted in favor of the Collateral Agent for the benefit of the Secured Parties, in each case, (x) included on the consolidated balance sheet of Parent with respect to the Consolidated Parties as of such date and (y) in an aggregate amount not to exceed $50,000,000; *provided* that Consolidated Secured Net Debt shall not include Indebtedness in respect of letters of credit, except to the extent of unreimbursed amounts thereunder. For the avoidance of doubt, it is understood that obligations (i) under Swap Contracts and Treasury Services Agreements and (ii) owed by Unrestricted Subsidiaries, do not constitute Consolidated Secured Net Debt.

" **Consolidated Secured Net Leverage Ratio** " means, with respect to any Test Period, the ratio of (a) Consolidated Secured Net Debt as of the last day of such Test Period to (b) Consolidated EBITDA for such Test Period.

" **Consolidated Total Net Debt** " means, as of any date of determination, (a) the aggregate principal amount of Indebtedness of the Consolidated Parties outstanding on such date, in an amount that would be reflected on the consolidated balance sheet of Parent with respect to the Consolidated Parties as of such date in accordance with GAAP (but excluding the effects of any discounting of Indebtedness under GAAP) consisting of Indebtedness for borrowed money and all obligations of the Consolidated Parties evidenced by bonds, debentures, notes, loan agreements or other similar instruments and Attributable Indebtedness; *provided* that Consolidated Total Net Debt shall not include Indebtedness in respect of letters of credit, except to the extent of unreimbursed amounts thereunder, *minus* (b) (i) Unrestricted cash and Cash Equivalents that are subject to a Control Agreement in favor of the Collateral Agent for the benefit of the Secured Parties and (ii) cash and Cash Equivalents Restricted in favor of the Collateral Agent for the benefit of the Secured Parties, in each case, (x) included on the consolidated balance sheet of Parent with respect to the Consolidated Parties as of such date and (y) in an aggregate amount not to exceed $50,000,000. For the avoidance of doubt, it is understood that obligations (i) under Swap Contracts and Treasury Services Agreements and (ii) owed by Unrestricted Subsidiaries, do not constitute Consolidated Total Net Debt.

" **Consolidated Total Net Leverage Ratio** " means, with respect to any Test Period, the ratio of (a) Consolidated Total Net Debt as of the last day of such Test Period to (b) Consolidated EBITDA for such Test Period.

" **Consolidated Working Capital** " means, with respect to the Consolidated Parties on a consolidated basis at any date of determination, Current Assets at such date of determination *minus* Current Liabilities at such date of determination; *provided* that increases or decreases in Consolidated Working Capital shall be calculated without regard to any changes in Current Assets or Current Liabilities as a result of (a) any reclassification in accordance with GAAP of assets or liabilities, as applicable, between current and noncurrent or (b) the effects of purchase accounting.

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

" **Control** " has the meaning set forth in the definition of "Affiliate."

" **Control Agreement** " means a control agreement, in form and substance reasonably satisfactory to Collateral Agent, executed and delivered by a Consolidated Party, the Collateral Agent and the applicable securities intermediary (with respect to a securities account) or bank (with respect to a deposit account).

" **Credit Agreement Refinancing Indebtedness** " means any (a) Permitted Equal Priority Refinancing Debt, (b) Permitted Junior Priority Refinancing Debt, (c) Permitted Unsecured Refinancing Debt or (d) other Indebtedness incurred pursuant to a Refinancing Amendment, in each case, issued, incurred or otherwise obtained (including by means of the extension or renewal of existing Indebtedness) in exchange for, or to extend, renew, replace, repurchase, retire or refinance, in whole or part, existing Loans (or, if applicable, unused Revolving Credit Commitments), or any then-existing Credit Agreement Refinancing Indebtedness (the " **Refinanced Debt** "); *provided* that (i) such Credit Agreement Refinancing Indebtedness shall have a maturity date that is no earlier than the Latest Maturity Date (or (A) in the case of Permitted Junior Priority Refinancing Debt or Permitted Unsecured Refinancing Debt, the date that is 91 days after the Latest Maturity Date and (B) in the case of any Revolving Credit Facility, the latest maturity date of any then-existing Revolving Credit Facility) at the time of incurrence and, in the case of Credit Agreement Refinancing Indebtedness consisting of loans that are not revolving Indebtedness, a Weighted Average Life to Maturity equal to or greater than that of the Refinanced Debt (after giving effect to any amortization thereof, but not any prepayments thereof, prior to the time of such Refinancing) as of the date of determination, (ii) the covenants, events of default and guarantees of any such Indebtedness (excluding, for the avoidance of doubt, interest rates (including through fixed interest rates), interest margins, rate floors, fees, funding discounts, original issue discounts and optional prepayment or redemption premiums and terms) shall be

identical to, or less favorable to the lenders thereunder than, those applicable to the Refinanced Debt (other than covenants or other provisions applicable only to periods after the Latest Maturity Date (or, in the case of Permitted Junior Priority Refinancing Debt or Permitted Unsecured Refinancing Debt, the date that is 91 days after the Latest Maturity Date) at the time of incurrence), (iii) such Indebtedness shall not have a greater principal amount than the principal amount of the Refinanced Debt plus accrued interest, fees and premiums (including any tender premium and prepayment premiums) and penalties (if any) thereon and fees, expenses, original issue discount and upfront fees incurred in connection with such Refinancing, (iv) such Refinanced Debt shall be repaid, defeased or satisfied and discharged, and all accrued interest, fees and premiums (if any) in connection therewith shall be paid, substantially concurrently with the date such Credit Agreement Refinancing Indebtedness is issued, incurred or obtained with the Net Cash Proceeds received from the incurrence or issuance of such Indebtedness and any corresponding commitments shall immediately terminate, (v) such Credit Agreement Refinancing Indebtedness shall not require any mandatory repayment, redemption, repurchase or defeasance (other than (x) in the case of notes or debentures, customary change of control, asset sale event or casualty or condemnation event offers and customary acceleration any time after an event of default and (y) in the case of any Permitted Equal Priority Refinancing Debt, mandatory prepayments (including redemptions or repurchases or offers to prepay, redeem or repurchase based on excess cash flow) that are on terms not more favorable to the lenders or holders providing such Indebtedness than those applicable to the Refinanced Debt and that share such payments ratably (but not greater than ratable) in any equivalent voluntary or mandatory prepayments, as applicable, of the Term Facility unless the Borrowers and the lenders or investors in respect of such Permitted Equal Priority Refinancing Debt elect lesser payments) prior to the Latest Maturity Date (or, in the case of Permitted Junior Priority Refinancing Debt or Permitted Unsecured Refinancing Debt, the date that is 91 days after the Latest Maturity Date) at the time of such incurrence, (vi) if the Refinanced Debt is subordinated in right of payment to, or to the Liens securing, the Obligations, then any Credit Agreement Refinancing Indebtedness shall be subordinated in right of payment to, or to the Liens securing, the Obligations, as applicable, pursuant to a Customary Intercreditor Agreement and, if subordinated in right of payment, on terms reasonably satisfactory to the Administrative Agent, and (vii) with respect to Credit Agreement Refinancing Indebtedness consisting of a revolving facility, (A) such Credit Agreement Refinancing Indebtedness shall have no mandatory scheduled commitment reductions prior to the maturity date of any existing Revolving Credit Facility (or, if at such time no Revolving Credit Facility exists, the Latest Maturity Date at the time of incurrence), (B) any borrowings, repayments, prepayments and commitment reductions thereunder shall be ratable among such facility, any Revolving Credit Facility and any other such revolving facility and (C) there shall not be more than two revolving credit facilities among the revolving facilities constituting Credit Agreement Refinancing Indebtedness and any Revolving Credit Facility.

" **Credit Extension** " means each of the following: (a) a Borrowing and (b) an L/C Credit Extension.

" **Cure Amount** " has the meaning set forth in Section 8.04(a) .

" **Cure Expiration Date** " has the meaning set forth in Section 8.04(a) .

" **Current Assets** " means, with respect to the Consolidated Parties on a consolidated basis at any date of determination, all assets (other than cash and Cash Equivalents) that would, in accordance with GAAP, be classified on a consolidated balance sheet of the Consolidated Parties as current assets at such date of determination, other than amounts related to current or deferred Taxes based on income or profits (but excluding assets held for sale, loans (permitted) to third parties, pension assets, deferred bank fees and derivative financial instruments).

" **Current Liabilities** " means, with respect to the Consolidated Parties on a consolidated basis at any date of determination, all liabilities that would, in accordance with GAAP, be classified on a consolidated balance sheet of the Consolidated Parties as current liabilities at such date of determination, other than (a) the current portion of any Indebtedness, (b) accruals for Capital Expenditures, (c) accruals for current or deferred Taxes based on income or profits, (d) accruals of any costs or expenses related to restructuring reserves, (e) any Revolving Credit Exposure or Revolving Credit Loans and (g) the current portion of pension liabilities.

" **Customary Intercreditor Agreement** " means (a) to the extent executed in connection with the incurrence of Indebtedness secured by Liens on the Collateral intended to rank equal in priority to the Liens on the Collateral securing the Obligations, a customary intercreditor agreement in form and substance reasonably acceptable to the Administrative Agent, Required Lenders and the Borrower Representative, which agreement shall provide that the Liens on the Collateral securing such Indebtedness shall rank equal in priority to the Liens on the Collateral securing the Obligations and (b) to the extent executed in connection with the incurrence of Indebtedness secured by Liens on the Collateral intended to rank junior to the Liens on the Collateral securing the Obligations, a customary intercreditor agreement in form and substance reasonably acceptable to the Administrative Agent, Required Lenders and the Borrower Representative, which agreement shall provide that the Liens on the Collateral securing such Indebtedness shall rank junior to the Lien on the Collateral securing the Obligations.

" **Debtor Relief Laws** " means the U.S. 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.

" **Declined Proceeds** " has the meaning set forth in Section 2.05(b)(vi) .

" **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, without cure or waiver hereunder, would be an Event of Default.

" **Default Rate** " means an interest rate equal to (a) the ABR *plus* (b) the Applicable Margin, if any, applicable to Term Loans that are ABR Loans *plus* (c) 2.00% *per annum* ; *provided* that with respect to a Eurodollar Rate Loan, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Margin) otherwise applicable to such Loan *plus* 2.00% *per annum* , in each case, to the fullest extent permitted by applicable Laws.

" **Defaulting Lender** " means, subject to Section 2.17(b) , any Lender that (a) has failed to perform any of its funding obligations hereunder, including in respect of its Loans or participations in respect of L/C Obligations, within one Business Day of the date required to be funded by it hereunder, unless such Lender notifies the Administrative Agent and the Borrower Representative in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable Default, shall be specifically identified in such writing) has not been satisfied, (b) has notified the Administrative Agent that it does not intend to comply with its funding obligations or has made a public statement to that effect with respect to its funding obligations hereunder or under other agreements in which it commits to extend credit (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable Default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after request by the Administrative Agent, to confirm in a manner satisfactory to the Administrative Agent that it will comply with its funding obligations, (d) has failed, within two Business Days after request by the Administrative Agent, to pay any amounts owing to the Administrative Agent or the other Lenders, or (e) has, or has a direct or indirect parent company that has, after the Closing Date, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or a custodian appointed for it, (iii) become the subject of a Bail-in Action or (iv) taken any action in furtherance of, or indicated its consent to, approval of or acquiescence in any such proceeding or appointment; *provided* that a Lender shall not be a Defaulting Lender solely by virtue of (x) the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority or (y) in the case of a solvent Person, the precautionary appointment of an administrator, guardian, custodian or other similar official by a Governmental Authority under or based on the Law of the country where such Person is subject to home jurisdiction supervision if any applicable Law requires that such appointment not be publicly disclosed, in any such case, where such action does not result in or provide such Person with immunity from the jurisdiction of courts within the United States of America or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under clauses (a) through (e) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.17(b)) upon delivery of written notice of such determination to the Borrower Representative, each L/C Issuer and each Lender.

" **Designated Person** " means a person or entity:

(a) listed in the annex to, or otherwise subject to the provisions of, the Executive Order;

(b) named as a "Specially Designated National and Blocked Person" (" **SDN** ") on the most current list published by OFAC at its official website or any replacement website or other replacement official publication of such list (the " **SDN List** "); or

(c) in which an entity on the SDN List has 50% or greater ownership interest or that is otherwise controlled by an SDN.

" **Disposition** " or " **Dispose** " means the sale, transfer, license tantamount to a sale, lease or other disposition (including any sale-leaseback transaction and any sale or issuance of Equity Interests (other than directors' qualifying shares or other shares required by applicable Law) in a Restricted Subsidiary) 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.

" **Disqualified Equity Interest** " means any Equity Interest that, by its terms (or by the terms of any security or other Equity Interests into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (a) matures or is mandatorily redeemable (other than solely for Qualified Equity Interests and cash in lieu of fractional shares), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control, asset sale or similar event so long as any rights of the holders thereof upon the occurrence of a change of control, asset sale or similar event shall be subject to the prior repayment in full of the Loans and all other Obligations that are accrued and payable and the termination of the Commitments and the termination of all outstanding Letters of Credit (unless the Outstanding Amount of the L/C Obligations related thereto has been Cash Collateralized, back-stopped by a letter of credit reasonably satisfactory to the applicable L/C Issuer or deemed reissued under another agreement reasonably acceptable to the applicable L/C Issuer)), (b) is redeemable at the option of the holder thereof (other than (i) solely for Qualified Equity Interests and cash in lieu of fractional shares or (ii) as a result of a change of control, asset sale or similar event so long as any rights of the holders thereof upon the occurrence of a change of control, asset sale or similar event shall be subject to the prior repayment in full of the Loans and all other Obligations that are accrued and payable and the termination of the Commitments and the termination of all outstanding Letters of Credit (unless the Outstanding Amount of the L/C Obligations related thereto has been Cash Collateralized, back-stopped by a letter of credit reasonably satisfactory to the applicable L/C Issuer or deemed reissued under another agreement reasonably acceptable to the applicable L/C Issuer)), in whole or in part, (c) provides for the scheduled payments of dividends in cash or (d) is or becomes convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is 91 days after the Latest Maturity Date at the time of

issuance of such Equity Interests; *provided* that if such Equity Interests are issued (x) pursuant to a plan for the benefit of employees of Holdings (or any direct or indirect parent thereof) or any other Consolidated Party or (y) by any such plan to any such employees, such Equity Interests shall not constitute Disqualified Equity Interests solely because they may be required to be repurchased by the Borrowers or any of their Restricted Subsidiaries in order to satisfy applicable statutory or regulatory obligations.

" **Disqualified Lenders** " shall mean the Persons identified in writing to the Administrative Agent prior to the Closing Date. A list of the Disqualified Lenders will be posted by the Administrative Agent on the Platform and available for inspection by all Lenders.

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

" **Domestic Subsidiary** " means any Subsidiary that is organized under the Laws of the United States, any state thereof or the District of Columbia.

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

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

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

" **Eligible Assignee** " has the meaning set forth in Section 10.07(a)(i) .

" **Enforcement Qualifications** " has the meaning set forth in Section 5.04 .

" **Environment** " means indoor air, ambient air, surface water, groundwater, land surface, subsurface strata or sediment, and natural resources such as wetlands, flora and fauna or as otherwise defined in any Environmental Law.

" **Environmental Laws** " means any applicable Law relating to the prevention of pollution or the protection of the Environment and natural resources, and the protection of worker health and safety as it relates to exposure to Hazardous Materials, including any applicable provisions of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 *et seq.* , the Hazardous Materials Transportation Act, 49 U.S.C. § 5101 *et seq.* , the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 *et seq.* , the Clean Water Act, 33 U.S.C. § 1251 *et seq.* , the Clean Air Act, 42 U.S.C. § 7401 *et seq.* , the Toxic Substances Control Act, 15 U.S.C. § 2601 *et seq.* , the Occupational Safety and Health Act, 29 U.S.C. § 651 *et seq.* , and the Oil Pollution Act of 1990, 33 U.S.C. § 2701 *et seq.* , and all analogous state or local statutes, and the regulations promulgated pursuant thereto.

" **Environmental Liability** " means any liability, contingent or otherwise (including any liability for damages, costs of investigation and remediation, fines, penalties or indemnities), of the Loan Parties or any Subsidiary directly or indirectly resulting from or based upon (a) noncompliance with any Environmental Law including any failure to obtain, maintain or comply with any Environmental Permit, (b) the generation, use, handling, transportation, storage or treatment of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the Release or threatened Release of any Hazardous Materials or (e) any contract or agreement to the extent pursuant to which liability is assumed or imposed with respect to any of the foregoing.

" **Environmental Permit** " means any permit, approval, identification number, license or other authorization required under any Environmental Law.

" **Equity Contribution** " means equity contributions (including, without limitation, the contribution of Holdings' Equity Interests in TaxACT) or, in the case of Rollover Equity, exchanges (including Equity Interests issued by Baseball to certain existing management shareholders of HDV Holdings (collectively, " **Rollover Equity** ")) in the form of (i) common equity or preferred equity or convertible preferred equity that are not Disqualified Equity Interests, in each case having customary provisions reasonably satisfactory to the Administrative Agent or (ii) other Equity Interests having terms reasonably acceptable to the Lead Arranger, in each case (other than in the case of Rollover Equity and the contribution of Holdings' Equity Interests in TaxACT) made in cash directly or indirectly to Holdings by Parent and further contributed directly or indirectly to Borrowers, and in an aggregate amount not less than $186,000,000); provided that, on the Closing Date, (A) Parent shall own directly, beneficially and of record, 100% of the issued and outstanding Equity Interests of Holdings, (B) Holdings shall own directly, beneficially and of record, (1) 100% of the issued and outstanding Equity Interests of TaxACT or (2) at least 95% of the issued and outstanding Equity Interests of Baseball; (C) Baseball shall own, directly, beneficially and of record, 100% of the issued and outstanding Equity Interests of either HDV Holdings or HD Vest; and (D) HDV Holdings shall own, directly, beneficially and of record, 100% of the issued and outstanding Equity Interests of HD Vest.

" **Equity Interests** " means, with respect to any Person, all of the shares, interests, rights, participations or other equivalents (however designated) of capital stock of (or other ownership or profit interests or units in) such Person and all of the warrants, options or other rights

for the purchase, acquisition or exchange from such Person of any of the foregoing (including through convertible securities); *provided* , that any instrument evidencing Indebtedness convertible or exchangeable for Equity Interests shall not be deemed to be Equity Interests unless and until such instrument is so converted or exchanged.

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

" **ERISA Affiliate** " means any trade or business (whether or not incorporated) that is under common control with a Loan Party or any Restricted Subsidiary within the meaning of Section 414(b) or (c) of the Code or Section 4001 of ERISA (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

" **ERISA Event** " means (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by a Loan Party, any Restricted Subsidiary or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a "substantial employer" (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by a Loan Party, any Restricted Subsidiary or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization (within the meaning of Section 4241 of ERISA) or insolvent (within the meaning of Section 4245 of ERISA) or in "endangered" or "critical" status (within the meaning of Section 432 of the Code or Section 305 of ERISA); (d) a determination that any Pension Plan is in "at risk" status (within the meaning of Section 430 of the Code or Section 303 of ERISA); (e) the filing of a notice of intent to terminate, the treatment of a Pension Plan or Multiemployer Plan amendment as a termination under Sections 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (f) an event or condition which constitutes grounds under Section 4042 of ERISA for, and that would reasonably be expected to result in, the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; (g) with respect to a Pension Plan, the failure to satisfy the minimum funding standard of Sections 412 or 430 of the Code or Sections 302 or 303 of ERISA, whether or not waived, or the filing, pursuant to Section 412(c) of the Code or Section 302(c) of ERISA, of an application for the waiver of the minimum funding standard with respect to any Pension Plan; (h) a failure by a Loan Party, any Restricted Subsidiary or any ERISA Affiliate to make a required contribution to a Multiemployer Plan; (i) the occurrence of a nonexempt prohibited transaction (within the meaning of Section 4975 of the Code or Section 406 of ERISA) which would result in liability to a Loan Party or any Restricted Subsidiary; (j) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due under Section 4007 of ERISA, upon a Loan Party, any Restricted Subsidiary or any ERISA Affiliate; (k) the imposition of a Lien pursuant to Section 430(k) of the Code or pursuant to ERISA with respect to any Pension Plan; or (l) any condition that constitutes grounds for the revocation by the IRS of the qualified or tax-exempt status of any Plan or any trust thereunder that is intended to qualify for tax exempt status under Section 401 or 501 of the Code.

10 " **Eurodollar Rate** " means:

(a) for any Interest Period with respect to a Eurodollar Rate Loan, the rate *per annum* determined by the Administrative Agent at approximately 11:00 a.m. (London time) on the date that is two Business Days prior to the commencement of such Interest Period by reference to the interest settlement rates for deposits in Dollars appearing on Reuters Screen LIBOR01 Page (or otherwise on the Reuters screen) (the " **Published LIBOR Rate** ") for a period equal to such Interest Period; *provided* that, to the extent that an interest rate is not ascertainable pursuant to the foregoing provisions of this definition, the "Eurodollar Rate" shall be the Interpolated Rate;

(b) for any interest calculation with respect to an ABR Loan on any date, the rate *per annum* determined by the Administrative Agent at approximately 11:00 a.m. (London time) on such date by reference to the Published LIBOR Rate for deposits in Dollars with a term of one month; *provided* that, to the extent that an interest rate is not ascertainable pursuant to the foregoing provisions of this definition, the "Eurodollar Rate" shall be the Interpolated Rate;

in the case of each of clause (a) and (b) above, multiplied by Statutory Reserves; *provided* that if the Eurodollar Rate shall be less than 0%, such rate shall be deemed to be 0% for purposes of this Agreement; *provided further* that notwithstanding the foregoing, the Eurodollar Rate (before giving effect to any adjustment for Statutory Reserves) shall, in respect of Initial Term Loans only, be deemed not to be less than 1.00% *per annum* at any time.

" **Eurodollar Rate Loan** " means a Loan that bears interest at a rate based on clause (a) of the definition of "Eurodollar Rate." Eurodollar Rate Loans shall be denominated in Dollars.

" **Event of Default** " has the meaning set forth in Section 8.01 .

11 " **Excess Cash Flow** " means, for any period, an amount equal to:

(a) the sum, without duplication, of:

(i) Consolidated Net Income for such period,

(ii) an amount equal to the amount of all non-cash charges (including depreciation and amortization) to the extent deducted in arriving at such Consolidated Net Income (except to the extent that such non-cash charges represent an accrual or

reserve for potential cash charges to be taken in any future period and not included in Consolidated Working Capital) ,

(iii) decreases in Consolidated Working Capital for such period,

(iv) an amount equal to the aggregate net non-cash loss on Dispositions by the Consolidated Parties during such period (other than sales in the ordinary course of business) to the extent deducted in arriving at such Consolidated Net Income,

(v) expenses deducted from Consolidated Net Income during such period in respect of expenditures made during any prior period for which a deduction from Excess Cash Flow was made in such period pursuant to clause (b)(x) or (xi) below,

(vi) cash income or gain (actually received in cash) excluded from the calculation of Consolidated Net Income for such period pursuant to the definition thereof, and

(vii) the amount of tax expense deducted from Consolidated Net Income in such period (including penalties and interest or tax reserves) paid for such period, *minus*

(b) the sum (in each case, to the extent not deducted in calculating Consolidated Net Income), without duplication, of:

(i) an amount equal to the amount of all non-cash credits included in arriving at such Consolidated Net Income, and cash charges included in the definition of "Consolidated Net Income,"

(ii) the amount of Capital Expenditures or acquisitions of intellectual property permitted hereunder to the extent (A) not expensed or accrued during such period and (B) such Capital Expenditures or acquisitions were financed with Internally Generated Cash,

(iii) to the extent financed with Internally Generated Cash, the aggregate amount of all principal payments of Indebtedness of the Consolidated Parties (including (A) the principal component of payments in respect of Capitalized Leases and (B) the amount of any scheduled repayment of Initial Term Loans pursuant to Section 2.07 , Extended Term Loans, Refinancing Term Loans, Incremental Term Loans or Replacement Term Loans and any mandatory prepayment of Term Loans pursuant to Section 2.05(b)(ii) to the extent required due to a Disposition that resulted in an increase to Consolidated Net Income and not in excess of the lesser of (1) the amount of such increase and (2) the Net Proceeds of such Disposition, but in each case excluding (X) all other voluntary prepayments of Term Loans, (Y) all prepayments or repayments in respect of any revolving credit facility and (Z) the Refinancing, unless accompanied by a permanent reduction of the related commitments),

(iv) an amount equal to the aggregate net non-cash gain on Dispositions by the Consolidated Parties during such period (other than Dispositions in the ordinary course of business) to the extent included in arriving at such Consolidated Net Income,

(v) increases in Consolidated Working Capital for such period,

(vi) the amount of Permitted Acquisitions made during such period pursuant to Section 7.02(i) to the extent financed with Internally Generated Cash,

(vii) the amount of Restricted Payments paid during such period pursuant to Section 7.06(f) and (g) , in each case, to the extent financed with Internally Generated Cash,

(viii) the aggregate amount of any premium, make-whole or penalty payments actually paid in cash by the Consolidated Parties during such period that are required to be made in connection with any prepayment of Indebtedness to the extent that such payments are not expensed during such period or any previous period, in each case to the extent financed with Internally Generated Cash,

(ix) the amount of cash taxes (including penalties and interest or tax reserves) actually paid or currently payable by Parent with respect to such period and attributable to the Consolidated Net Income of the Consolidated Parties,

(x) cash expenditures in respect of Swap Contracts during such period to the extent not deducted in arriving at such Consolidated Net Income, and

(xi) reimbursable or insured expenses incurred during such fiscal year to the extent that such reimbursement has not yet been received and to the extent not deducted in arriving at such Consolidated Net Income (in which case the respective reimbursement shall increase Excess Cash Flow in the period in which it is received).

Notwithstanding anything in the definition of any term used in the definition of "Excess Cash Flow" to the contrary, all components of Excess Cash Flow shall be computed for the Consolidated Parties on a consolidated basis.

" **Excess Cash Flow Period** " means each fiscal year of Holdings commencing with and including the fiscal year ending December 31, 2016.

" **Exchange Act** " means the Securities Exchange Act of 1934, as amended.

" **Excluded Assets** " means (i) any fee owned real property (other than Material Real Properties) and any leasehold rights and interests in real property (including landlord waivers, estoppels and collateral access letters), (ii) motor vehicles, airplanes and other assets subject to certificates of title to the extent perfection of the security interest in such assets cannot be accomplished by the filing of a UCC financing statement (or equivalent), (iii) any lease, license or other agreement or any property subject to a purchase money security interest, capital lease obligation or similar arrangements, in each case to the extent permitted under the Loan Documents, to the extent that a grant of a security interest therein would violate or invalidate such lease, license or agreement, purchase money, capital lease or a similar arrangement or create a right of termination in favor of any other party thereto (other than Holdings or any Affiliate), in each case, after giving effect to the applicable anti-assignment provisions of the UCC or other applicable Law and any consents that have otherwise been obtained, but excluding the proceeds and receivables thereof, the assignment of which is expressly deemed effective under applicable Law notwithstanding such prohibition, *provided* that the limitations on pledges or security interests in this clause (iii) shall (a) not apply to the extent any such limitation is contained in any agreement that relates to Credit Agreement Refinancing Indebtedness and (b) only apply to the extent that such limitation is otherwise permitted under Section 7.09 , (iv) any lease, license, permit, property or agreement to the extent that a grant of a security interest therein is prohibited by applicable Law (including restrictions in respect of margin stock and financial assistance, fraudulent conveyance, preference, thin capitalization or other similar laws or regulations), or any governmental licenses or state or local franchises, charters and authorizations, other than to the extent such prohibition is rendered ineffective under the UCC or other applicable Law notwithstanding such prohibition, or requires governmental or third party consents required pursuant to applicable Law that have not been obtained, (v) to the extent not permitted (after the Borrowers' use of commercially reasonable efforts to provide such Collateral) by the terms of such Person's organizational or joint venture documents (except to the extent such prohibition is rendered ineffective after giving effect to applicable anti-assignment provisions of the UCC, other than the proceeds and receivables thereof the assignment of which is expressly deemed effective under the UCC notwithstanding such prohibition or restriction), Equity Interests and Margin Stock in any Person other than wholly-owned Restricted Subsidiaries of either Borrower, (vi) any property or assets to the extent that the creation or perfection of pledges of, or security interests in, such property or assets results in material adverse tax consequences to the Borrowers, as reasonably determined by the Borrower Representative and the Administrative Agent, (vii) any property subject to a Lien permitted by Section 7.01(u) , (w) or (aa) (to the extent relating to a Lien originally incurred pursuant to Section 7.01(u) or (w)) to the extent that the granting of a security interest in such property would be prohibited under the terms of the Indebtedness secured thereby after giving effect to the applicable anti-assignment provisions of the UCC, other than the proceeds and receivables thereof the assignment of which is expressly deemed effective under the UCC notwithstanding such prohibition or restriction, (viii) any intent-to-use trademark application prior to the filing of a "Statement of Use" or "Amendment to Allege Use" with respect thereto, to the extent, if any, that, and solely during the period, if any, in which the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark application under applicable federal law, (ix) particular assets if and for so long as, if the Administrative Agent reasonably determines in consultation with the Borrower Representative that the costs of creating or perfecting such pledges or security interests in such assets or obtaining title insurance, surveys, abstracts or appraisals in respect of such assets are excessive in relation to the benefits to be obtained by the Lenders therefrom, (x) assets owned by Excluded Subsidiaries, (xi) 35% of the voting stock of any first-tier wholly-owned CFC or CFC Holding Company, (xii) Equity Interests of Excluded Pledged Subsidiaries, (xiii) any asset or right under any contract, in each case to the extent that the Collateral Agent may not validly possess a security interest therein under applicable Law or the creation of a security interest in such property would require consent, approval, license or authority from a Person other than the Parent or any of its Subsidiaries or Affiliates, including any Governmental Authority, that has not otherwise been obtained, except, in each case, to the extent such requirement is rendered inapplicable under the UCC or other Law, including, to the extent applicable, any contract rights of any Restricted Subsidiary of the Borrowers acquired or created after the Closing Date that is (i) an "investment adviser," within the meaning of the US Investment Advisers Act of 1940 that is registered or required to be registered thereunder; and/or (ii) a "broker" or "dealer" within the meaning of the Exchange Act that is registered or required to be registered under the Exchange Act and (xiv) to the extent used exclusively to hold funds in trust for the benefit of third parties, (A) payroll, payroll, healthcare and other employee wage and benefit accounts, (B) tax accounts, including, without limitation, sales tax accounts, (C) escrow, defeasance and redemption accounts and (D) fiduciary or trust accounts and, in the case of clauses (A) through (D) , the funds or other property held in or maintained in any such account ; *provided* , *however* , that Excluded Assets shall not include any Proceeds, substitutions or replacements of any Excluded Assets referred to in clauses (i) through (xiv) (unless such Proceeds, substitutions or replacements would independently constitute Excluded Assets referred to in clauses (i) through (xiv)). For avoidance of doubt, any asset or right under any contract, in each case to the extent that the Collateral Agent may not validly possess a security interest therein under applicable Law or the creation of a security interest in such property would require consent, approval, license or authority from a Person other than Parent or any of its Subsidiaries or Affiliates, including any Governmental Authority, except, in each case, to the extent such requirement is rendered inapplicable under the UCC or other Laws, including, for the avoidance of doubt, any contract rights of the BD Subsidiary and any other Subsidiary of Holdings that is registered as a broker-dealer under the Exchange Act. For the avoidance of doubt, no Equity Interests of either Borrower, the BD Subsidiary, the Advisory Services Company or any Holding Company shall constitute Excluded Assets.

" **Excluded Pledged Subsidiary** " means (a) any Subsidiary for which the pledge of its Equity Interests is prohibited by applicable

Law or for which governmental (including regulatory) consent, approval, license or authorization would be required unless such consent, approval, license or authorization has been received and (b) any Unrestricted Subsidiary. For the avoidance of doubt, no Borrower or Holding Company shall be an Excluded Pledged Subsidiary.

" **Excluded Subsidiary** " means (a) any Subsidiary of either Borrower that is not a wholly-owned Domestic Subsidiary, (b) any Subsidiary that is prohibited by applicable Law (including financial assistance, fraudulent conveyance, preference, capitalization or other similar laws and regulations) or contractual obligation existing at the time of acquisition thereof after the Closing Date (but only if the contractual prohibition is not created in contemplation of the Closing Date or such acquisition and, in any event, only for so long as such prohibition continues to exist), in each case, from guaranteeing the Obligations or if guaranteeing the Obligations would require governmental (including regulatory) consent, approval, license or authorization that has not otherwise been delivered, (c) any Unrestricted Subsidiaries, (d) any Foreign Subsidiary that is a CFC, (e) any direct or indirect Subsidiary substantially all the assets of which consist of the Equity Interests of one or more Foreign Subsidiaries that are CFCs (" **CFC Holding Company** "), (f) any Domestic Subsidiary of a Foreign Subsidiary that is a CFC, (g) the BD Subsidiary and any other Subsidiary of Holdings that is registered as a broker-dealer under the Exchange Act and (h) any other Restricted Subsidiary to the extent that the burden or cost of obtaining a guarantee of the Obligations is excessive in comparison to the benefit to the Lenders afforded thereby, as reasonably determined by the Administrative Agent in consultations with the Borrower Representative. For the avoidance of doubt, none of the Borrowers, the Advisory Services Subsidiary or any Holding Company shall be an Excluded Subsidiary.

" **Excluded Swap Obligation** " means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act (a " **Swap Obligation** "), if, and to the extent that, all or a portion of the Guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal or unlawful under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the Guarantee of such Guarantor or the grant of such security interest would otherwise have become effective with respect to such related Swap Obligation but for such Guarantor's failure to constitute an "eligible contract participant" at such time. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guarantee or security interest is or becomes illegal or unlawful under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof).

" **Executive Order** " means Executive Order 13224 signed on September 23, 2001.

" **Existing Credit Facility** " means (a) the Amended and Restated Term Loan Agreement, dated as of March 17, 2015 among HDV Holdings, HDVest, certain Subsidiaries of HDV Holdings, the other guarantors party thereto, the lenders party thereto and LBC Credit Partners III, LP, as administrative agent, (b) the Amended and Restated Revolving Credit and Term Loan Agreement, dated as of March 17, 2015 among HDV Holdings, HDVest, certain Subsidiaries of HDV Holdings, the other guarantors party thereto, the lenders party thereto and Madison Capital Funding LLC, as administrative agent, and (c) the Credit Agreement, dated as of August 30, 2013, among TaxACT, the other guarantors party thereto, the lenders party thereto and Wells Fargo Bank, N.A., as administrative agent.

" **Existing Revolver Tranche** " has the meaning set forth in Section 2.16(b) .

" **Existing Term Loan Tranche** " has the meaning set forth in Section 2.16(a) .

" **Extended Revolving Credit Commitments** " has the meaning set forth in Section 2.16(b) .

" **Extending Revolving Credit Lender** " has the meaning set forth in Section 2.16(c) .

" **Extended Revolving Credit Loans** " means one or more Classes of Revolving Credit Loans that result from an Extension Amendment.

" **Extended Term Loans** " has the meaning set forth in Section 2.16(a) .

" **Extending Term Lender** " has the meaning set forth in Section 2.16(c) .

" **Extension** " means the establishment of an Extension Series by amending a Loan pursuant to the terms of Section 2.16 and the applicable Extension Amendment.

" **Extension Amendment** " has the meaning set forth in Section 2.16(d) .

" **Extension Election** " has the meaning set forth in Section 2.16(c) .

" **Extension Request** " means any Term Loan Extension Request or a Revolver Extension Request, as the case may be.

" **Extension Series** " means any Term Loan Extension Series or a Revolver Extension Series, as the case may be.

" **Facility** " means the Revolving Credit Facility, a given Extension Series of Extended Revolving Credit Commitments, a given Refinancing Series of Refinancing Revolving Credit Loans, the Term Facility, a given Extension Series of Extended Term Loans, a given Class of Incremental Term Loans or a given Refinancing Series of Refinancing Term Loans, as the context may require.

" **FATCA** " means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

" **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 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 so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to the Administrative Agent on such day on such transactions as determined by the Administrative Agent.

" **Fee Letter** " means the Fee Letter, dated October 14, 2015, among Parent, the Lead Arranger, and the Affiliates of the Lead Arranger party thereto.

" **FINRA** " shall mean the Financial Industry Regulatory Authority, including any successor agency thereto.

" **FIRREA** " means the Financial Institutions Reform, Recovery and Enforcement Act of 1989, as amended.

" **Flood Insurance Laws** " means, collectively, (i) the National Flood Insurance Act of 1968 as now or hereafter in effect or any successor statute thereto, (ii) the Flood Disaster Protection Act of 1973 as now or hereafter in effect or any successor statue thereto, (iii) the National Flood Insurance Reform Act of 1994 as now or hereafter in effect or any successor statute thereto and (iv) the Flood Insurance Reform Act of 2004 as now or hereafter in effect or any successor statute thereto.

"Foreign Pension Plan" means a registered pension plan which is subject to applicable pension legislation other than ERISA or the Code, which a Loan Party or Restricted Subsidiary sponsors or maintains, or to which it makes or is obligated to make contributions.

"Foreign Plan" means each Foreign Pension Plan, deferred compensation or other retirement or superannuation plan, fund, program, agreement, commitment or arrangement (as amended, waived, supplemented, renewed or otherwise modified from time to time) whether oral or written, funded or unfunded, sponsored, established, maintained or contributed to, or required to be contributed to, or with respect to which any liability is borne, outside the United States of America, by any Loan Party or Restricted Subsidiary, other than any such plan, fund, program, agreement or arrangement sponsored by a Governmental Authority.

" **Foreign Subsidiary** " means any direct or indirect Restricted Subsidiary of a Borrower which is not a Domestic Subsidiary.

" **Fraudulent Transfer Laws** " has the meaning set forth in Section 11.12 .

" **Fronting Exposure** " means, at any time there is a Defaulting Lender, (a) with respect to the L/C Issuers, such Defaulting Lender's Pro Rata Share of the outstanding L/C Obligations other than L/C Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof and (b) with respect to the Swing Line Lender, such Defaulting Lender's Pro Rata Share of Swing Line Loans other than Swing Line Loans as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders in accordance with the terms hereof.

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

" **GAAP** " means generally accepted accounting principles in the United States of America, as in effect from time to time; *provided* , *however* , that, subject to Section 1.03 , if the Borrower Representative notifies the Administrative Agent that it requests an amendment to any provision hereof to eliminate the effect of any change occurring after the Closing Date in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower Representative that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

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

" **Granting Lender** " has the meaning set forth in Section 10.07(h) .

" **Guarantee** " means, as to any Person, without duplication, any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness by another Person (the " **primary obligor** ") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness of the payment or performance of such Indebtedness, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part). The amount of any 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.

" **Guaranteed Obligations** " has the meaning set forth in Section 11.01 .

" **Guarantors** " has the meaning set forth in the definition of "Collateral and Guarantee Requirement" and shall include each Holding Company, each Borrower, each Subsidiary Guarantor and each other Restricted Subsidiary that shall have become a Guarantor pursuant to Section 6.11 . For the avoidance of doubt, Holdings in its sole discretion may cause any Restricted Subsidiary that is not a Guarantor to Guarantee the Obligations by causing such Restricted Subsidiary to execute a joinder to this Agreement in form and substance reasonably satisfactory to the Administrative Agent, and any such Restricted Subsidiary shall be a Guarantor, Loan Party and Subsidiary Guarantor hereunder for all purposes.

" **Guaranty** " means, collectively, the guaranty of the Obligations by the Guarantors pursuant to this Agreement.

" **Hazardous Materials** " means all materials, substances or wastes, all pollutants or contaminants, in any form, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas and toxic mold that are regulated pursuant to, or which could give rise to liability under, applicable Environmental Law.

" **Holding Company** " means each of Holdings, Baseball and HDV Holdings.

" **Holdings** " has the meaning set forth in the introductory paragraph to this Agreement.

" **Honor Date** " has the meaning set forth in Section 2.03(c)(i) .

" **Immaterial Subsidiary"** means any direct or indirect Subsidiary of a Borrower which is not a Material Domestic Subsidiary or Material Foreign Subsidiary.

" **Incremental Amendment** " has the meaning set forth in Section 2.14(f) .

" **Incremental Commitments** " has the meaning set forth in Section 2.14(a) .

" **Incremental Facility Closing Date** " has the meaning set forth in Section 2.14(d) .

" **Incremental Lenders** " has the meaning set forth in Section 2.14(c) .

" **Incremental Loan** " has the meaning set forth in Section 2.14(b) .

" **Incremental Request** " has the meaning set forth in Section 2.14(a) .

" **Incremental Revolving Credit Lender** " has the meaning set forth in Section 2.14(c) .

" **Incremental Revolving Loan** " has the meaning set forth in Section 2.14(b) .

" **Incremental Term Commitments** " has the meaning set forth in Section 2.14(a) .

" **Incremental Term Lender** " has the meaning set forth in Section 2.14(c) .

" **Incremental Term Loan** " has the meaning set forth in Section 2.14(b) .

 " **Indebtedness** " means, as to any Person at a particular time, without duplication, all of the following:

(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) the maximum amount (after giving effect to any prior drawings or reductions which may have been reimbursed) of all outstanding letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds, performance bonds and similar instruments issued or created by or for the account of such Person;

(c) net obligations of such Person under any Swap Contract to the extent required to be reflected on a balance sheet of such Person;

(d) all obligations of such Person to pay the deferred purchase price of property or services;

(e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements and mortgage, industrial revenue bond, industrial development bond and similar financings), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(f) all Attributable Indebtedness;

(g) all obligations of such Person in respect of Disqualified Equity Interests if and to the extent that the foregoing would constitute indebtedness or a liability in accordance with GAAP; and

(h) to the extent not otherwise included above, all Guarantees of such Person in respect of Indebtedness described in clauses (a) through (g) in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall (A) 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, except to the extent such Person's liability for such Indebtedness is otherwise limited, (B) in the case of the Consolidated Parties, exclude all intercompany Indebtedness having a term not exceeding 364 days (inclusive of any roll-over or extensions of terms) and made in the ordinary course of business (other than, with respect to Indebtedness of Consolidated Parties, intercompany Indebtedness owing by any Consolidated Party to any Unrestricted Subsidiary) and (C) exclude (i) trade accounts and accrued expenses payable in the ordinary course of business, (ii) any earn-out obligation, contingent post-closing purchase price adjustments or indemnification payments in connection with any Permitted Acquisition or permitted Investment, any acquisition consummated prior to the Closing Date or any permitted Disposition, unless such obligation is not paid after becoming due and payable, (iii) accruals for payroll and other liabilities accrued in the ordinary course of business and (iv) purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the respective seller . 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 of any Person for purposes of clause (e) shall be equal to the lesser of (x) the aggregate unpaid amount thereof and (y) the fair market value of any assets of such Person securing such Indebtedness or to which such Indebtedness otherwise has recourse.

" **Indemnified Taxes** " means, with respect to any Agent or any Lender, (A) all Taxes imposed on or with respect to payments under the Loan Documents other than (i) any Taxes imposed on or measured by its net income, however denominated, franchise (and similar) Taxes imposed in lieu of net income Taxes, and branch profits (or similar) Taxes, in each case imposed by a jurisdiction as a result of such recipient being organized in or having its principal office or applicable lending office in such jurisdiction, or as a result of any present or former connection between such Lender or Agent and such jurisdiction other than any connections arising solely from executing, delivering, being a party to, performing its obligations under, receiving payments under, or enforcing, any Loan Document, (ii) any Taxes attributable to the failure of such Agent or Lender to deliver the documentation required to be delivered pursuant to Section 3.01(d) , (iii) in the case of a Lender (other than an assignee pursuant to a request by the Borrower Representative under Section 3.07(a)), any U.S. withholding Tax that is in effect and would apply to amounts payable hereunder under the law applicable on the date on which the Lender becomes a party to this Agreement or acquires an applicable interest in the Loan, or designates a new Lending Office, except to the extent such Lender (or its assignor, if any) was entitled, immediately prior to the time of designation of a new Lending Office (or assignment), to receive additional amounts from the Borrowers or any Guarantor with respect to such withholding Tax pursuant to Section 3.01 , and (iv) any U.S. federal Taxes imposed under FATCA, and (B) to the extent not otherwise described in clause (A), Other Taxes.

" **Indemnitees** " has the meaning set forth in Section 10.05 .

" **Independent Financial Advisor** " means an accounting, appraisal, investment banking firm or consultant of nationally recognized standing that is, in the good faith judgment of the Borrower Representative, qualified to perform the task for which it has been engaged and that is independent of Holdings and its Affiliates.

" **Information** " has the meaning set forth in Section 10.08 .

" **Initial Term Commitment** " means, as to each Term Lender, its obligation to make an Initial Term Loan to the Borrowers pursuant to Section 2.01(a) in an aggregate amount not to exceed the amount set forth opposite such Lender's name on Schedule 1.01 under the caption

"Initial Term Commitment" or in the Assignment and Assumption pursuant to which such Term Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement (including Section 2.14). The aggregate amount of the Initial Term Commitments is $400,000,000.

" **Initial Term Loans** " means the term loans made by the Lenders on the Closing Date to the Borrowers pursuant to Section 2.01(a) .

" **Intellectual Property Security Agreement** " has the meaning set forth in the Security Agreement.

" **Intercompany Note** " means a promissory note substantially in the form of Exhibit G .

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

13 " **Interest Period** " means, as to each Eurodollar Rate Loan, the period commencing on the date such Eurodollar Rate Loan is disbursed or converted to or continued as a Eurodollar Rate Loan and ending on the date one, two, three or six months thereafter or, to the extent agreed by each Lender of such Eurodollar Rate Loan, 12 months, as selected by a Borrower in its Committed Loan Notice; *provided* that:

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

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

(c) the initial Interest Period following the Closing Date shall be for one month; and

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

" **Internally Generated Cash** " means, with respect to any Person, funds of such Person and its Subsidiaries to the extent not (i) constituting (x) proceeds of the issuance of (or contributions in respect of) Equity Interests of such Person, (y) proceeds of the incurrence of Indebtedness by such Person or any of its Subsidiaries (other than under any revolving credit facility or line of credit) or (z) proceeds of Dispositions and Casualty Events or (ii) used for any purpose that would require the utilization of the Available Amount.

" **Interpolated Rate** " means, at any time, 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 rate as displayed on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate (or, in the event such rate does not appear on a Reuters 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") for the longest period (for which that Screen Rate is available in Dollars) that is shorter than the Interest Period and (b) the Screen Rate for the shortest period (for which that Screen Rate is available for Dollars) that exceeds the Interest Period, in each case, as of approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period; provided that if the Interpolated Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

" **Investment** " means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests or debt or other securities of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of Indebtedness of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person or (c) the purchase or other acquisition (in one transaction or a series of transactions) of all or substantially all of the property and assets or business of another Person or assets constituting a business unit, line of business or division of such Person. For purposes of covenant compliance, the amount of any Investment at any time shall be the amount actually invested (measured at the time made), without adjustment for subsequent increases or decreases in the value of such Investment.

" **Investment Adviser** " means Persons who are engaged by HDVest or its Subsidiaries and who are: (a) investment advisers registered under the Investment Advisers Act or are supervised persons of, or persons associated with, an investment adviser (in each case as defined in the Investment Advisers Act); and/or (b) are broker-dealers registered under the Exchange Act (or associated persons thereof, as defined in the Exchange Act).

" **Investment Advisers Act** " means the United States Investment Advisers Act of 1940, as amended, and the rules and regulations

promulgated thereunder.

" **IP Rights** " has the meaning set forth in Section 5.15 .

" **IRS** " means the U.S. Internal Revenue Service (or any successor agency).

" **ISP** " means, with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice, Inc. (or such later version thereof as may be in effect at the time of issuance).

" **Issuer Documents** " means with respect to any Letter of Credit, the Letter of Credit Application, and any other document, agreement and instrument entered into by the applicable L/C Issuer, the applicable Borrower (or any Subsidiary) or in favor of such L/C Issuer and relating to such Letter of Credit.

" **Junior Financing** " has the meaning set forth in Section 7.13(a) .

" **Junior Financing Documentation** " means any documentation governing any Junior Financing.

" **Latest Maturity Date** " means, at any date of determination, the latest Maturity Date applicable to any Loan or Commitment hereunder at such time, including the latest maturity date of any Extended Revolving Credit Commitments, Refinancing Revolving Credit Commitments, Extended Term Loans, Incremental Term Loans, Refinancing Term Loans, Replacement Term Loans and Refinancing Term Commitments, in each case as extended in accordance with this Agreement from time to time.

" **Laws** " means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, legally binding guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the legally binding interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, legally binding requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority.

" **L/C Advance** " means, with respect to each Revolving Credit Lender, such Lender's funding of its participation in any L/C Borrowing in accordance with its Pro Rata Share or other applicable share provided for under this Agreement. All L/C Advances shall be denominated in Dollars.

" **L/C Borrowing** " means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the applicable Honor Date or refinanced as a Revolving Credit Borrowing. All L/C Borrowings shall be denominated in Dollars.

" **L/C Credit Extension** " means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the renewal or increase of the amount thereof.

" **L/C Fronting Fee** " has the meaning set forth in Section 2.03(i) .

" **L/C Issuer** " means Bank of Montreal (directly or through its Affiliates) and any other Lender that becomes an L/C Issuer in accordance with Section 2.03(k) or 10.07(j) , in each case, in its capacity as an issuer of Letters of Credit hereunder, or any successor issuer of Letters of Credit hereunder. If there is more than one L/C Issuer at any given time, the term L/C Issuer shall refer to the relevant L/C Issuer(s).

" **L/C Obligations** " means, as at any date of determination, the aggregate amount available to be drawn under all outstanding Letters of Credit *plus* the aggregate of all Unreimbursed Amounts, including all L/C Borrowings. For purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.10 . For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be "outstanding" in the amount so remaining available to be drawn.

" **LCT Election** " has the meaning set forth in Section 1.08 .

" **LCT Test Date** " has the meaning set forth in Section 1.08 .

" **Lead Arranger** " means BMO Capital Markets Corp.

" **Lender** " has the meaning set forth in the introductory paragraph to this Agreement and, as the context requires, includes the Swing Line Lender, the L/C Issuers and each Additional Lender and Additional Refinancing Lender that becomes a Lender in accordance with the terms hereof, and their respective successors and assigns as permitted hereunder, each of which is referred to herein as a "Lender."

" **Lending Office** " means, as to any Lender, such office or offices as a Lender may from time to time notify the Borrower Representative and the Administrative Agent.

“ **Letter of Credit** ” means any standby letter of credit issued hereunder.

“ **Letter of Credit Application** ” means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the relevant L/C Issuer.

“ **Letter of Credit Expiration Date** ” means the day that is five (5) Business Days prior to the scheduled Maturity Date then in effect for the applicable Revolving Credit Facility.

“ **Letter of Credit Sublimit** ” means an amount equal to the lesser of (a) $5,000,000 (or such greater amount as may be agreed by the applicable LC Issuer but in no event to exceed $10,000,000 in the aggregate) and (b) the aggregate amount of the Revolving Credit Commitments. The Letter of Credit Sublimit is part of, and not in addition to, the Revolving Credit Facility.

“ **Lien** ” means any mortgage, pledge, hypothecation, collateral assignment, security deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to Real Property, and any Capitalized Lease having substantially the same economic effect as any of the foregoing).

“ **Limited Condition Transaction** ” has the meaning set forth in Section 2.14(d)(i) .

“ **Loan** ” means an extension of credit under Article II by a Lender to any Borrower in the form of a Term Loan, a Revolving Credit Loan or a Swing Line Loan (including any Initial Term Loans, any Incremental Term Loans and any extensions of credit under any Revolving Commitment Increase, any Extended Term Loans and any extensions of credit under any Extended Revolving Credit Commitment, any Refinancing Term Loans and any extensions of credit under any Refinancing Revolving Credit Commitment and any Replacement Term Loans).

“ **Loan Documents** ” means, collectively, (i) this Agreement (including the schedules hereto), (ii) the Notes, (iii) the Collateral Documents, (iv) any Refinancing Amendment, Incremental Amendment or Extension Amendment, (v) each Letter of Credit Application and (vi) any amendment or joinder to this Agreement.

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

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

“ **LTM EBITDA** ” means, as of any date of determination, Consolidated EBITDA calculated on a trailing twelve-month basis as of the last day of the most recent Test Period ending prior to such date.

“ **Margin Stock** ” shall have the meaning assigned to such term in Regulation U of the Board of Governors of the United States Federal Reserve System, or any successor thereto.

“ **Master Agreement** ” shall have the meaning set forth in the definition of “Swap Contract.”

“ **Material Adverse Effect** ” means a material adverse effect on (i) the business, condition (financial or otherwise), operations, performance, properties or prospects, in each case, of the Consolidated Parties, taken as a whole, (ii) the rights and remedies (taken as a whole) of the Administrative Agent hereunder or under the other Loan Documents or (iii) the ability of a Borrower or a Guarantor to perform its payment obligations hereunder or under the other Loan Documents.

“ **Material Domestic Subsidiary** ” means, at any date of determination, (a) each Holding Company and each Borrower and (b) each of the Borrowers’ Domestic Subsidiaries that are Restricted Subsidiaries (i) whose total assets as of the last day of the most recently ended fiscal quarter of Parent for which financial statements have been delivered pursuant to Section 6.01(a) or (b) comprised in the aggregate more than 5.0% of Total Assets as of such date or (ii) whose gross revenues for such fiscal quarter comprised more than 5.0% of the consolidated gross revenues of the Consolidated Parties for such fiscal quarter. As of the Closing Date, all Domestic Subsidiaries of the Borrowers are Material Domestic Subsidiaries.

“ **Material Foreign Subsidiary** ” means, at any date of determination, each of the Borrowers’ Foreign Subsidiaries that are Restricted Subsidiaries (a) whose total assets as of the last day of the most recently ended fiscal year of Parent for which financial statements have been delivered pursuant to Section 6.01(a) comprised in the aggregate more than 5.0% of Total Assets as of such date or (b) whose gross revenues for such fiscal year comprised more than 5.0% of the consolidated gross revenues of the Consolidated Parties for such fiscal year. As of the Closing Date, the Borrowers do not own, directly or indirectly, any Foreign Subsidiaries.

“ **Material Non-Public Information** ” means information which is (a) not publicly available, (b) material with respect to the Consolidated Parties or their respective securities for purposes of United States federal and state securities laws and (c) of a type that would not be publicly disclosed in connection with any issuance by any Consolidated Party of debt or equity securities issued pursuant to a public

offering, a Rule 144A offering or other private placement where assisted by a placement agent.

" **Material Real Property** " means any fee-owned real property located in the United States that is owned by any Loan Party and that has a fair market value in excess of $2,500,000 (at the Closing Date or, with respect to real property acquired after the Closing Date, at the time of acquisition, in each case, as reasonably estimated by Borrower Representative in good faith); *provided* that the value of all such fee-owned real property which is not Material Real Property shall not exceed $5,000,000 in the aggregate.

" **Material Subsidiary** " means any Material Domestic Subsidiary or any Material Foreign Subsidiary.

" **Maturity Date** " means (i) with respect to the Initial Term Loans, December 31, 2022; (ii) with respect to the Revolving Credit Facility, December 31, 2020; (iii) with respect to any tranche of Extended Term Loans or Extended Revolving Credit Commitments, the final maturity date as specified in the applicable Extension Amendment, (iv) with respect to any Incremental Term Loans, the final maturity date as specified in the applicable Incremental Amendment, (v) with respect to any Refinancing Term Loans or Refinancing Revolving Credit Commitments, the final maturity date as specified in the applicable Refinancing Amendment, and (vi) with respect to any Replacement Term Loans, the final maturity date as specified in the applicable agreement; *provided* that, in each case, if such day is not a Business Day, the Maturity Date shall be the Business Day immediately succeeding such day.

" **Maximum Rate** " has the meaning set forth in Section 10.10 .

" **Moody's** " means Moody's Investors Service, Inc. and any successor thereto.

" **Mortgage Policies** " has the meaning set forth in the definition of "Collateral and Guarantee Requirement."

" **Mortgaged Properties** " has the meaning set forth in the definition of "Collateral and Guarantee Requirement."

" **Mortgages** " means collectively, the deeds of trust, trust deeds, hypothecs and mortgages made by the Loan Parties in favor or for the benefit of the Collateral Agent on behalf of the Secured Parties creating and evidencing a Lien on a Mortgaged Property in form and substance reasonably satisfactory to the Administrative Agent, and any other mortgages executed and delivered pursuant to Sections 6.11 and 6.13 , in each case, as the same may from time to time be amended, restated, supplemented or otherwise modified.

" **Multiemployer Plan** " means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which a Loan Party, any Restricted Subsidiary or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding six plan years, has made or been obligated to make contributions.

14 " **Net Proceeds** " means:

(a) 100% of the cash proceeds actually received by any Consolidated Party (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise and including casualty insurance settlements and condemnation awards, but in each case only as and when received) from any Disposition or Casualty Event, net of (i) attorneys' fees, accountants' fees, investment banking fees, survey costs, title insurance premiums, and related search and recording charges, transfer taxes, deed or mortgage recording taxes, other customary expenses and brokerage, consultant and other customary fees and expenses actually incurred in connection therewith, (ii) the principal amount of any Indebtedness that is secured by a Lien (other than a Lien subordinated to the Liens securing the Obligations) on the asset subject to such Disposition or Casualty Event and that is required to be repaid in connection with such Disposition or Casualty Event (other than Indebtedness under the Loan Documents), together with any applicable premium, penalty, interest and breakage costs, (iii) in the case of any Disposition or Casualty Event by a non-wholly-owned Restricted Subsidiary, the *pro rata* portion of the Net Proceeds thereof (calculated without regard to this clause (iii)) attributable to minority interests and not available for distribution to or for the account of any wholly-owned Consolidated Party as a result thereof, (iv) Taxes actually paid or payable as a result thereof, (v) the amount of any reasonable reserve established in accordance with GAAP against any adjustment to the sale price or any liabilities (other than any taxes deducted pursuant to clause (i) above) (x) related to any of the applicable assets and (y) retained by any Consolidated Party including, without limitation, pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations (however, the amount of any subsequent reduction of such reserve (other than in connection with a payment in respect of any such liability) shall be deemed to be Net Proceeds of such Disposition or Casualty Event occurring on the date of such reduction) and (vi) any funded escrow established pursuant to the documents evidencing any such sale or disposition to secure any indemnification obligations or adjustments to the purchase price associated with any such sale or disposition (*provided* that to the extent that any amounts are released from such escrow to, a Consolidated Party, such amounts net of any related expenses shall constitute Net Proceeds); *provided* that, subject to the restrictions set forth in Section 7.05(i) , if any Consolidated Party uses any portion of such proceeds to acquire, maintain, develop, construct, improve, upgrade or repair assets useful in the business of the Consolidated Parties (other than ordinary course current assets) or to make Permitted Acquisitions (or any subsequent investment made in a Person, division or line of business previously acquired), in each case within 12 months of such receipt, such portion of such proceeds shall not constitute Net Proceeds except to the extent not, within 12 months of such receipt, so used or contractually committed to be so used (it being understood that if any portion of such proceeds are not so used within such 12-month period but within such 12-month period are contractually committed to be used, then upon the termination of such contract or if such

Net Proceeds are not so used within the later of such 12-month period and 180 days from the entry into such contractual commitment, such remaining portion shall constitute Net Proceeds as of the date of such termination or expiry without giving effect to this proviso); *provided* , *further* , that no proceeds realized in a single transaction or series of related transactions shall constitute Net Proceeds unless the aggregate amount of such net proceeds shall exceed $5,000,000 in any fiscal year (and thereafter only net cash proceeds in excess of such amount shall constitute Net Proceeds under this clause (a)), and

(b) 100% of the cash proceeds from the incurrence, issuance or sale by any Consolidated Party of any Indebtedness or equity, as applicable, net of all taxes paid or reasonably estimated to be payable as a result thereof and fees (including investment banking fees and discounts), commissions, costs and other expenses, in each case incurred in connection with such incurrence, issuance or sale.

For purposes of calculating the amount of Net Proceeds, fees, commissions and other costs and expenses payable to any Consolidated Party shall be disregarded.

" **Non-Consenting Lender** " has the meaning set forth in Section 3.07(d) .

" **Non-Defaulting Lender** " means, at any time, a Lender that is not a Defaulting Lender.

" **Non-Extension Notice Date** " has the meaning set forth in Section 2.03(b)(iii) .

" **Non-Guarantor Cap** " means the greater of $5,000,000 and 5% of LTM EBITDA on the date such Investment is made, reduced by Investments made in reliance thereon under Section 7.02(c)(iii) and Indebtedness incurred in reliance thereon under Section 7.03(d) .

" **Note** " means a Term Note, a Revolving Credit Note or a Swing Line Note, as the context may require.

" **Notice of Intent to Cure** " has the meaning set forth in Section 8.04 .

" **Obligations** " means (x) all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party and its Restricted Subsidiaries arising under any Loan Document or otherwise with respect to any Loan or Letter of Credit, 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, fees and expenses that accrue after the commencement by or against any Loan Party or Restricted Subsidiary of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest, fees and expenses are allowed claims in such proceeding and (y) for purposes of the Collateral Documents, the Guaranty and Section 8.03 only, obligations of any Loan Party arising under any Secured Hedge Agreement or any Treasury Services Agreement. Without limiting the generality of the foregoing, the Obligations of the Loan Parties under the Loan Documents (and of their Restricted Subsidiaries to the extent they have obligations under the Loan Documents) include (a) the obligation (including guarantee obligations) to pay principal, interest, Letter of Credit fees, reimbursement obligations, charges, expenses, fees, Attorney Costs, indemnities and other amounts payable by any Loan Party under any Loan Document and (b) the obligation of any Loan Party to reimburse any amount in respect of any of the foregoing that any Lender may elect to pay or advance on behalf of such Loan Party in accordance with the terms of the Loan Documents. Notwithstanding the foregoing, the obligations of the Borrowers or any Restricted Subsidiary under any Secured Hedge Agreement or any Treasury Services Agreement shall be secured and guaranteed pursuant to the Collateral Documents and the Guaranty only to the extent that, and for so long as, the other Obligations are so secured and guaranteed. Notwithstanding the foregoing, Obligations of any Guarantor shall in no event include any Excluded Swap Obligations of such Guarantor.

" **OFAC** " has the meaning set forth in Section 5.17(b) .

" **OID** " means original issue discount.

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

" **Other Applicable Indebtedness** " has the meaning set forth in Section 2.05(b)(ii) .

" **Other Taxes** " has the meaning set forth in Section 3.01(b) .

" **Outstanding Amount** " means (a) with respect to the Term Loans, Revolving Credit Loans and Swing Line Loans on any date, the outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Term Loans, Revolving Credit Loans (including any refinancing of outstanding unpaid drawings under Letters of Credit or L/C Credit Extensions as a Revolving Credit Borrowing) and Swing Line Loans, as the case may be, occurring on such date; and (b) with respect to any L/C Obligations on any date, the

outstanding amount thereof on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes thereto as of such date, including as a result of any reimbursements of outstanding unpaid drawings under any Letters of Credit (including any refinancing of outstanding unpaid drawings under Letters of Credit or L/C Credit Extensions as a Revolving Credit Borrowing) or any reductions in the maximum amount available for drawing under Letters of Credit taking effect on such date.

" **Overnight Rate** " means, for any day, the greater of the Federal Funds Rate and an overnight rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

" **Parent** " has the meaning set forth in the recitals.

" **Parent Guaranty** " means the limited recourse guaranty dated as of the date hereof by Parent in favor of the Administrative Agent.

" **Participant** " has the meaning set forth in Section 10.07(e) .

" **Participant Register** " has the meaning set forth in Section 10.07(e) .

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

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

" **Perfection Certificate** " means a certificate substantially in the form of Exhibit II to the Security Agreement or any other form reasonably approved by the Administrative Agent, as the same shall be supplemented from time to time.

" **Permitted Acquisition** " has the meaning set forth in Section 7.02(i) .

" **Permitted Equal Priority Refinancing Debt** " means any secured Indebtedness incurred by the Borrowers in the form of one or more series of senior secured notes, bonds or debentures (and, if applicable, any Registered Equivalent Notes issued in exchange therefor); provided that (i) such Indebtedness is secured by Liens on all or a portion of the Collateral on a basis that is equal in priority to the Liens on the Collateral securing the Obligations (but without regard to the control of remedies), is not secured by any property or assets of Parent or any of its Subsidiaries other than the Collateral, (ii) such Indebtedness satisfies the applicable requirements set forth in the provisos to the definition of "Credit Agreement Refinancing Indebtedness," (iii) such Indebtedness is not at any time guaranteed by Parent or any of its Subsidiaries other than the Loan Parties and (iv) each Borrower, the holders of such Indebtedness (or any trustee, agent or similar representative on their behalf) and the Administrative Agent and/or Collateral Agent shall be party to a Customary Intercreditor Agreement providing that the Liens on the Collateral securing such obligations shall rank equal in priority to the Liens on the Collateral securing the Obligations.

" **Permitted Junior Priority Refinancing Debt** " means secured Indebtedness incurred by the Borrowers in the form of one or more series of junior lien secured notes, bonds or debentures or junior lien secured loans (and, if applicable, any Registered Equivalent Notes issued in exchange therefor); provided that (i) such Indebtedness is secured by a Lien on all or a portion of the Collateral on a junior priority basis to the Liens on Collateral securing the Obligations, is not secured by any property or assets of Parent or any of its Subsidiaries other than the Collateral and is secured pursuant to documentation no more favorable to the secured parties thereunder than the terms of the Collateral Documents, (ii) such Indebtedness satisfies the applicable requirements set forth in the provisos in the definition of "Credit Agreement Refinancing Indebtedness", (iii) the holders of such Indebtedness (or any trustee, agent or similar representative on their behalf) and the Administrative Agent and/or the Collateral Agent shall be party to a Customary Intercreditor Agreement providing that the Liens on Collateral securing such obligations shall rank junior to the Liens on Collateral securing the Obligations, and (iv) such Indebtedness is not at any time guaranteed by Parent or any of its Subsidiaries other than the Loan Parties.

" **Permitted Liens** " has the meaning set forth in Section 7.01 .

" **Permitted Refinancing** " means, with respect to any Person, any modification, refinancing, refunding, renewal, restructuring, replacement or extension of any Indebtedness of such Person; *provided* that (a) the principal amount (or accreted value, if applicable) thereof does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness so modified, refinanced, restructured, refunded, renewed, replaced or extended except by an amount equal to unpaid accrued interest and premium thereon *plus* other amounts owing or paid related to such Indebtedness, and fees and expenses incurred, in connection with such modification, refinancing, refunding, renewal, restructuring, replacement or extension and by an amount equal to any existing commitments unutilized thereunder, (b) other than with respect to a Permitted Refinancing in respect of Indebtedness permitted pursuant to Section 7.03(e) , such modification, refinancing, refunding, renewal, replacement or extension has a final maturity date equal to or later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being modified, refinanced, refunded, renewed, replaced or extended, (c) other than with respect to a Permitted Refinancing in respect of Indebtedness permitted pursuant to Section 7.03(e) , at the time thereof, no Event of Default shall have occurred and be continuing, (d) if such Indebtedness being modified,

refinanced, refunded, renewed, replaced or extended is subordinated in right of payment to the Obligations, such modification, refinancing, refunding, renewal, replacement or extension is subordinated in right of payment to the Obligations on terms at least as favorable (taken as a whole) to the Lenders as those contained in the documentation governing the Indebtedness being modified, refinanced, refunded, renewed, replaced or extended, and such modification, refinancing, refunding, renewal, replacement or extension is incurred by one or more Persons who is an obligor of the Indebtedness being modified, refinanced, refunded, renewed, replaced or extended as reasonably determined by the Administrative Agent, (e) such Indebtedness shall be repaid, repurchased, retired, defeased or satisfied and discharged, and all accrued interest, fees, premiums (if any) and penalties in connection therewith shall be paid, on the date such modification, refinancing, refunding, renewal, restructuring, replacement or extension is issued, incurred or obtained, (f) such modification, refinancing, refunding, renewal, restructuring, replacement or extension of Indebtedness is not at any time guaranteed by any Person other than the guarantors of such Indebtedness and (g) any such modification, refinancing, refunding, renewal, restructuring, replacement or extension of Indebtedness shall be *pari passu* or junior in right of payment and, if secured, secured on no more senior a basis than such Indebtedness being refinanced.

" **Permitted Repricing Amendment** " has the meaning set forth in Section 10.01 .

" **Permitted Unsecured Refinancing Debt** " means unsecured Indebtedness incurred by the Borrower in the form of one or more series of senior unsecured notes, bonds or debentures or loans (and, if applicable, any Registered Equivalent Notes issued in exchange therefor); provided that (i) such Indebtedness satisfies the applicable requirements set forth in the provisos in the definition of "Credit Agreement Refinancing Indebtedness" and (ii) such Indebtedness is not at any time guaranteed by Parent or any of its Subsidiaries other than the Loan Parties.

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

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

" **Platform** " has the meaning set forth in Section 6.01(d) .

" **Pledge Agreement** " means the pledge agreement dated as of the date hereof by Parent in favor of the Collateral Agent.

" **Pledged Debt** " has the meaning set forth in the Security Agreement.

" **Pledged Equity** " has the meaning set forth in the Security Agreement.

" **Proceeding** " has the meaning set forth in Section 10.05 .

" **Proceeds** " has the meaning set forth in the Security Agreement.

" **Pro Forma Balance Sheet** " has the meaning set forth in Section 5.05(b) .

" **Pro Forma Basis** " and " **Pro Forma Effect** " means, with respect to compliance with any test or covenant or calculation of any ratio hereunder, the determination or calculation of such test, covenant or ratio (including in connection with Specified Transactions) in accordance with Section 1.09 .

" **Pro Forma Financial Statements** " has the meaning set forth in Section 5.05(b) .

" **Pro Rata Share** " means, with respect to each Lender, at any time a fraction (expressed as a percentage, carried out to the ninth decimal place), the numerator of which is the amount of the Commitments and, if applicable and without duplication, Term Loans of such Lender under the applicable Facility or Facilities at such time and the denominator of which is the amount of the Aggregate Commitments under the applicable Facility or Facilities and, if applicable and without duplication, Term Loans under the applicable Facility or Facilities at such time; *provided* that, in the case of the Revolving Credit Facility, if such Commitments have been terminated, then the Pro Rata Share of each Lender shall be determined based on the Pro Rata Share of such Lender immediately prior to such termination and after giving effect to any subsequent assignments made pursuant to the terms hereof.

" **Projections** " has the meaning set forth in Section 6.01(c) .

" **Public Lender** " has the meaning set forth in Section 6.01(d) .

" **Qualified ECP Guarantor** " means, in respect of any Swap Obligations, each Loan Party that has total assets exceeding $10,000,000 at the time the relevant Guarantee or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other person as constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an "eligible contract participant" at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

“ **Qualified Equity Interests** ” means any Equity Interests that are not Disqualified Equity Interests.

“ **Quarterly Financial Statements** ” means (a) the unaudited consolidated balance sheets and related statements of income and cash flows of each of the Parent and HDV Holdings for the fiscal quarter ended September 30, 2015, and any subsequent fiscal quarter of HDV Holdings ended at least 45 days prior to the Closing Date and (b) the unaudited standalone financial statements of income and cash flows of Holdings and its Subsidiaries, on a consolidated basis, for the fiscal quarter ended September 30, 2015, and any subsequent fiscal quarter of HDV Holdings ended at least 45 days prior to the Closing Date, together with a reconciliation of such financial statements with the segment reporting of the “Tax Preparation” business as set forth in the financial statements in clause (a) of the Parent for the equivalent period.

“ **Real Property** ” means, collectively, all right, title and interest (including any leasehold, mineral or other estate) in and to any and all parcels of or interests in real property owned or leased by any Person, whether by lease, license or other means, together with, in each case, all easements, hereditaments and appurtenances relating thereto, all improvements and appurtenant fixtures and equipment, all general intangibles and contract rights and other property and rights incidental to the ownership, lease or operation thereof.

“ **Refinanced Debt** ” has the meaning set forth in the definition of “Credit Agreement Refinancing Indebtedness.”

“ **Refinanced Term Loans** ” has the meaning set forth in Section 10.01 .

“ **Refinancing** ” means the prepayment in full of all amounts borrowed under the Existing Credit Facility, the termination of all commitments thereunder and the release of all security interests and guaranties in connection therewith.

“ **Refinancing Amendment** ” means an amendment to this Agreement executed by each of (a) the Borrowers, (b) the Administrative Agent, (c) each Additional Refinancing Lender and (d) each Lender that agrees to provide any portion of the Refinancing Term Loans, Refinancing Revolving Credit Commitments or Refinancing Revolving Credit Loans incurred pursuant thereto, in accordance with Section 2.15 .

“ **Refinancing Revolving Credit Commitments** ” means one or more Classes of Revolving Credit Commitments hereunder that result from a Refinancing Amendment.

“ **Refinancing Revolving Credit Loans** ” means one or more Classes of Revolving Credit Loans that result from a Refinancing Amendment.

“ **Refinancing Series** ” means all Refinancing Term Loans or Refinancing Term Commitments that are established pursuant to the same Refinancing Amendment (or any subsequent Refinancing Amendment to the extent such Refinancing Amendment expressly provides that the Refinancing Term Loans or Refinancing Term Commitments, Refinancing Revolving Credit Loans or Refinancing Revolving Credit Commitments provided for therein are intended to be a part of any previously established Refinancing Series) and that provide for the same All-In Yield (other than, for this purpose, any original issue discount or upfront fees), if applicable and amortization schedule.

“ **Refinancing Term Commitments** ” means one or more term loan commitments hereunder that fund Refinancing Term Loans of the applicable Refinancing Series hereunder pursuant to a Refinancing Amendment.

“ **Refinancing Term Loans** ” means one or more Classes of Term Loans that result from a Refinancing Amendment.

“ **Register** ” has the meaning set forth in Section 10.07(d) .

“ **Registered Equivalent Notes** ” means, with respect to any notes originally issued in an offering pursuant to Rule 144A under the Securities Act or other private placement transaction under the Securities Act, substantially identical notes (having the same guarantees) issued in a dollar-for-dollar exchange therefor pursuant to an exchange offer registered with the SEC.

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

“ **Release** ” means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing into the Environment or any facility or property.

“ **Replacement Term Loans** ” has the meaning set forth in Section 10.01 .

“ **Reportable Event** ” means any of the events set forth in Section 4043(c) of ERISA or the regulations issued thereunder, other than events for which the otherwise applicable notice period has been waived by regulation or otherwise by the PBGC.

“ **Repricing Event** ” shall mean (i)(x) any substantially concurrent prepayment or repayment of Initial Term Loans in whole or in part with the proceeds of, or any conversion of any Initial Term Loans into, any new or replacement tranche of indebtedness incurred bearing interest at an All-In Yield less than the All-In Yield applicable to the Initial Term Loans the incurrence of which had the purpose of reducing

the All-In Yield or (y) any amendment to this Agreement that, directly or indirectly, reduces the "effective" interest rate applicable to the Initial Term Loans or (ii) any assignment permitted under Section 3.07 of all or any portion of the Initial Term Loans of any Lender in connection with any amendment under clause (i) of this definition.

" **Request for Credit Extension** " means (a) with respect to a Borrowing, continuation or conversion of Term Loans or Revolving Credit Loans, a Committed Loan Notice and (b) with respect to an L/C Credit Extension, a Letter of Credit Application.

" **Required Lenders** " means, as of any date of determination, Lenders having more than 50% of the sum of the (a) Total Outstandings (with the aggregate amount of each Lender's risk participation and funded participation in L/C Obligations being deemed "held" by such Lender for purposes of this definition), (b) aggregate unused Term Commitments and (c) aggregate unused Revolving Credit Commitments and unused Refinancing Revolving Credit Commitments; *provided* that the unused Term Commitments, Revolving Credit Commitment and Refinancing Revolving Credit Commitment of, and the portion of the Total Outstandings held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

" **Required Revolving Lenders** " means, as of any date of determination, Revolving Credit Lenders having more than 50% of the sum of (a) the Outstanding Amount of all Revolving Credit Loans and L/C Obligations (with the aggregate amount of each Lender's risk participation and funded participation in L/C Obligations being deemed "held" by such Lender for purposes of this definition) and (b) aggregate unused Revolving Credit Commitments and unused Refinancing Revolving Credit Commitments; *provided* that the Revolving Credit Commitment and Refinancing Revolving Credit Commitment of, and the portion of the Total Outstandings held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Revolving Lenders.

" **Responsible Officer** " means the chief executive officer, president, vice president, chief financial officer, chief administrative officer, secretary or assistant secretary, treasurer or assistant treasurer, controller or other similar officer of a Loan Party, and with respect to Committed Loan Notices, any designee thereof and directors of treasury services. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

" **Restricted** " means, when referring to cash or Cash Equivalents of the Consolidated Parties, means that such cash or Cash Equivalents appear (or would be required to appear) as "restricted" on the consolidated balance sheet of Parent with respect to Holdings (unless such appearance is related to Liens for the benefit of the Secured Parties or Liens permitted under Section 7.01 which are not perfected under the UCC or do not benefit from a control agreement or other steps to perfect on such cash or Cash Equivalents that the Collateral Agent has not taken on behalf of the Secured Parties).

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

" **Restricted Subsidiary** " means any Subsidiary of either Borrower other than an Unrestricted Subsidiary.

" **Retained Excess Cash Flow** " means, for any Excess Cash Flow Period, an amount equal to Excess Cash Flow for such Excess Cash Flow Period *minus* the amount required to be prepaid pursuant to Section 2.05(b)(i) (net of any Declined Proceeds with respect thereto) prior to giving effect to any deductions made pursuant to clause (B) of such subsection.

" **Returns** " means, with respect to any Investment, any dividends, distributions, interest, fees, premium, return of capital, repayment of principal, income, profits (from a Disposition or otherwise) and other amounts received or realized in respect of such Investment.

" **Revolver Extension Request** " has the meaning set forth in Section 2.16(b) .

" **Revolver Extension Series** " has the meaning set forth in Section 2.16(b) .

" **Revolving Commitment Increase** " has the meaning set forth in Section 2.14(a) .

" **Revolving Credit Borrowing** " means a borrowing consisting of simultaneous Revolving Credit Loans of the same Type and, in the case of Eurodollar Rate Loans, having the same Interest Period, made by each of the Revolving Credit Lenders.

" **Revolving Credit Commitment** " means, as to each Revolving Credit Lender, its obligation to (a) make Revolving Credit Loans to the Borrowers, (b) purchase participations in L/C Obligations in respect of Letters of Credit and (c) purchase participations in Swing Line Loans in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule 1.01 under the caption "Revolving Credit Commitment" or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement (including

Sections 2.14 and 10.07(b)). The aggregate Revolving Credit Commitments of all Revolving Credit Lenders shall be $25,000,000 on the Closing Date, as such amount may be adjusted from time to time in accordance with the terms of this Agreement.

" **Revolving Credit Exposure** " means, as to each Revolving Credit Lender, the sum of the amount of the Outstanding Amount of such Revolving Credit Lender's Revolving Credit Loans and its Pro Rata Share or other applicable share provided for under this Agreement of the amount of the L/C Obligations and Swing Line Loans at such time.

" **Revolving Credit Facility** " means the Revolving Credit Commitments, including any Revolving Commitment Increase, each Extension Series of Extended Revolving Credit Commitments, each Refinancing Series of Refinancing Revolving Credit Commitments and the Credit Extensions made thereunder.

" **Revolving Credit Fee** " has the meaning set forth in Section 2.09(c) .

" **Revolving Credit Lender** " means, at any time, any Lender that has a Revolving Credit Commitment at such time or, if the Revolving Credit Commitments have terminated, Revolving Credit Exposure.

" **Revolving Credit Loans** " has the meaning set forth in Section 2.01(b) .

" **Revolving Credit Note** " means a promissory note of the Borrowers payable to any Revolving Credit Lender or its registered assigns, in substantially the form of Exhibit C-2 hereto, evidencing the aggregate Indebtedness of the Borrowers to such Revolving Credit Lender resulting from the Revolving Credit Loans made by such Revolving Credit Lender to the Borrowers.

" **Rollover Equity** " has the meaning set forth in the definition of "Equity Contribution."

" **S&P** " means Standard & Poor's Ratings Services, a division of Standard & Poor's Financial Services LLC, a subsidiary of McGraw Hill Financial, Inc., and any successor to its credit ratings business.

" **Same Day Funds** " means disbursements and payments in immediately available funds.

" **Sanctions Laws and Regulations** " means (i) any sanctions or requirements imposed by, or based upon the obligations or authorities set forth in, the Executive Order, the USA PATRIOT Act of 2001 (the " **Patriot Act** "), the U.S. International Emergency Economic Powers Act (50 U.S.C. §§ 1701 et seq.), the U.S. Trading with the Enemy Act (50 U.S.C. App. §§ 1 et seq.), the U.S. Syria Accountability and Lebanese Sovereignty Act, the U.S. Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, the Iran Sanctions Act, Section 1245 of the National Defense Authorization Act of 2012, or the Iran Threat Reduction and Syria Human Rights Act of 2012, all as amended, or any of the foreign assets control regulations (including but not limited to 31 C.F.R., Subtitle B, Chapter V, as amended) or any other law or executive order relating thereto administered by the U.S. Department of the Treasury Office of Foreign Assets Control (" **OFAC** "), and any similar law, regulation, or Executive Order enacted in the United States after the date of this Agreement, (ii) any sanctions or requirements imposed under similar laws or regulations enacted by the European Union, the United Kingdom or Australia and (iii) any similar Law of any jurisdiction other than the United States, in each case, applicable to Parent or any Consolidated Party.

" **Screen Rate** " has the meaning set forth in the definition of "Interpolated Rate."

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

" **Secured Hedge Agreement** " means any Swap Contract permitted under Article VII that is entered into by and between a Borrower or any Restricted Subsidiary and any Bank, to the extent designated by such Borrower and such Bank as a "Secured Hedge Agreement" in writing to the Administrative Agent. The designation of any Secured Hedge Agreement shall not create in favor of such Bank any rights in connection with the management or release of Collateral or of the obligations of any Guarantor under the Loan Documents.

" **Secured Obligations** " means, collectively, the Obligations, the Cash Management Obligations and all obligations owing to the Secured Parties by any Consolidated Party under any Secured Hedge Agreement (but excluding in any event Excluded Swap Obligations).

" **Secured Parties** " means, collectively, the Administrative Agent, the Collateral Agent, each other Agent, each L/C Issuer, each other Lender, each Bank and each co-agent or sub-agent appointed by the Administrative Agent from time to time pursuant to Section 9.05 .

" **Securities Act** " means the Securities Act of 1933, as amended.

" **Security Agreement** " means a security agreement, dated as of the Closing Date, substantially in the form of Exhibit F .

" **Security Agreement Supplement** " has the meaning set forth in the Security Agreement.

" **Senior Representative** " means, with respect to any series of Permitted Equal Priority Refinancing Debt or Permitted Junior Priority Refinancing Debt, the trustee, administrative agent, collateral agent, security agent or similar agent under the indenture or agreement

pursuant to which such Indebtedness is issued, incurred or otherwise obtained, as the case may be, and each of their successors in such capacities.

" **Solvent** " means that (i) the sum of the debt (including contingent liabilities) of each Borrower and its Restricted Subsidiaries, taken as a whole, does not exceed the present fair saleable value (on a going concern basis) of the assets of such Borrower and its Restricted Subsidiaries, taken as a whole; (ii) the capital of each Borrower and its Restricted Subsidiaries, taken as a whole, is not unreasonably small in relation to the business of each such Borrower or its Restricted Subsidiaries, taken as a whole, contemplated as of the date hereof; and (iii) each Borrower and its Restricted Subsidiaries, taken as a whole, do not intend to incur, or believe that they will incur, debts (including current obligations and contingent liabilities) beyond their ability to pay such debts as they mature in the ordinary course of business. For the purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5).

" **SPC** " has the meaning set forth in Section 10.07(h) .

" **Specified Representations** " means the representations and warranties set forth in Sections 5.01(a) , 5.01(b) (as to authorization, execution, delivery and performance of the Loan Documents), 5.02(a) , 5.02(b) , 5.02(c)(i) , 5.02(c)(iii) , 5.04 , 5.12 , 5.16 , 5.17 , 5.18 and 5.19 .

" **Specified Transaction** " means any Investment that results in a Person becoming a Restricted Subsidiary, any designation of a Subsidiary as a Restricted Subsidiary or an Unrestricted Subsidiary, any Permitted Acquisition or any Disposition that results in a Restricted Subsidiary ceasing to be a Subsidiary of the Borrowers, any Investment constituting an acquisition of assets constituting a business unit, line of business or division of, or all or substantially all of the Equity Interests of, another Person or any Disposition of a business unit, line of business or division of the Borrowers or a Restricted Subsidiary, in each case whether by merger, consolidation, amalgamation or otherwise, or any incurrence or repayment of Indebtedness (other than Indebtedness incurred or repaid under any revolving credit facility or line of credit), Restricted Payment, Revolving Commitment Increase, Incremental Revolving Loan or Incremental Term Loan that by the terms of this Agreement requires such test to be calculated on a "Pro Forma Basis" or after giving "Pro Forma Effect."

" **Statutory Reserves** " means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board of Governors of the Federal Reserve System of the United States and any other banking authority, domestic or foreign, to which the Administrative Agent or any Lender (including any branch, Affiliate or other fronting office making or holding a Loan) is subject for Eurocurrency Liabilities (as defined in Regulation D of the Board). Eurodollar Rate Loans shall be deemed to constitute Eurocurrency Liabilities (as defined in Regulation D of the Board) and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to the Administrative Agent or any Lender under such Regulation D. Statutory Reserves shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

" **Subsequent Transaction** " has the meaning set forth in Section 1.08 .

" **Subsidiary** " of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which (i) 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 that has not yet happened) are at the time beneficially owned, (ii) more than half of the issued share capital is at the time beneficially owned or (iii) the management of which is otherwise controlled, directly or indirectly, through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of Holdings.

" **Subsidiary Guarantor** " means any Guarantor that is not a Holding Company or a Borrower.

" **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 Obligation** " has the meaning set forth in the definition of "Excluded Swap Obligation."

" **Swap Termination Value** " means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally

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

" **Swing Line Borrowing** " means a borrowing consisting of Swing Line Loans made by the Swing Line Lender

" **Swing Line Note** " means a promissory note of the Borrowers payable to the Swing Line Lender, or its registered assigns, in substantially the form of Exhibit C-3 hereto, evidencing the aggregate Indebtedness of the Borrowers to the Swing Line Lender resulting from the Swing Line Loans made by the Swing Line Lender to the Borrowers.

" **Swing Line Lender** " means Bank of Montreal in its capacity as provider of Swing Line Loans, or any successor swing line lender hereunder.

" **Swing Line Loan** " has the meaning set forth in Section 2.04(a) .

" **Swing Line Loan Notice** " means a notice of a Borrowing of Swing Line Loans pursuant to Section 2.04(b), which, if in writing, shall be substantially in the form of Exhibit A-2 or such other form as is approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer of the applicable Borrower.

" **Swing Line Sublimit** " means an amount equal to the lesser of (a) $10,000,000 and (b) the aggregate Revolving Credit Commitments; provided that at any time that Bank of Montreal is the sole Revolving Lender, the Swing Line Sublimit shall be an amount equal to the aggregate Revolving Credit Commitments. The Swing Line Sublimit is part of, and not in addition to, the Revolving Credit Facility.

" **Target Person** " has the meaning set forth in Section 7.02 .

" **Tax Group** " has the meaning set forth in Section 7.06(g)(iii) .

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

" **Term Borrowing** " means a borrowing consisting of Term Loans of the same Type and, in the case of Eurodollar Rate Loans, having the same Interest Period, made by each of the Term Lenders pursuant to Section 2.01(a) , or under any Incremental Amendment, Extension Amendment or Refinancing Amendment.

" **Term Commitment** " means, as to each Term Lender, its obligation to make a Term Loan to the Borrowers hereunder, expressed as an amount representing the maximum principal amount of the Term Loan to be made by such Term Lender under this Agreement, as such commitment may be (a) reduced from time to time pursuant to Section 2.06 and (b) reduced or increased from time to time pursuant to (i) assignments by or to such Term Lender pursuant to an Assignment and Assumption, (ii) an Incremental Amendment, (iii) a Refinancing Amendment, (iv) an Extension Amendment or (v) the incurrence of Replacement Term Loans. The initial amount of each Term Lender's Commitment is set forth on Schedule 1.01 under the caption "Initial Term Commitment" or, otherwise, in the Assignment and Assumption, Incremental Amendment, Extension Amendment or Refinancing Amendment pursuant to which such Lender shall have assumed its Commitment, as the case may be.

" **Term Facility** " means (a) prior to the Closing Date, the Initial Term Commitments and (b) thereafter, each Class of Term Loans and/or Term Commitments.

" **Term Lender** " means, at any time, any Lender that has (a) an Initial Term Commitment, Incremental Term Commitment or Refinancing Term Commitment or (b) a Term Loan at such time.

" **Term Loan** " means any Initial Term Loan, Extended Term Loan, Incremental Term Loan, Refinancing Term Loan or Replacement Term Loan, as the context may require.

" **Term Loan Closing Fee** " has the meaning set forth in Section 2.09(c) .

" **Term Loan Extension Request** " has the meaning set forth in Section 2.16(a) .

" **Term Loan Extension Series** " has the meaning set forth in Section 2.16(a) .

" **Term Loan Increase** " has the meaning set forth in Section 2.14(a) .

“ **Term Note** ” means a promissory note of the Borrowers payable to any Term Lender or its registered assigns, in substantially the form of Exhibit C-1 hereto, evidencing the aggregate Indebtedness of the Borrowers to such Term Lender resulting from the Term Loans made by such Term Lender.

“ **Test Period** ” means, for any date of determination under this Agreement, the four consecutive fiscal quarters of Holdings most recently ended as of such date of determination for which financial statements are available.

“ **Threshold Amount** ” means $20,000,000.

“ **Total Assets** ” means the total assets of the Consolidated Parties on a consolidated basis in accordance with GAAP, as shown on the most recent balance sheet of Parent with respect to Holdings delivered pursuant to Section 6.01(a) or (b) or, for the period prior to the time any such statements are so delivered pursuant to Section 6.01(a) or (b) , the Pro Forma Balance Sheet.

“ **Total Outstandings** ” means the aggregate Outstanding Amount of all Loans and all L/C Obligations.

“ **Transaction Expenses** ” means any fees or expenses incurred or paid by Parent (excluding at all times Taxes) or any Consolidated Party in connection with the Transactions (including (x) expenses in connection with hedging transactions and (y) transaction bonuses and the associated employer portion of payroll taxes), this Agreement and the other Loan Documents and the transactions contemplated hereby and thereby in an amount not to exceed $36,000,000 in the aggregate.

“ **Transactions** ” means (a) the execution and delivery of the Loan Documents to be entered into on the Closing Date and the funding of the Loans on the Closing Date, (b) the consummation of the Refinancing, (c) the consummation of the Acquisition, (d) the consummation of the Equity Contribution and (e) the payment of fees and expenses incurred in connection therewith.

“ **Treasury Services Agreement** ” means any agreement between any Consolidated Party and any Bank relating to treasury, depository, credit card, debit card and cash management services or automated clearinghouse transfer of funds or any similar services.

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

“ **Unfunded Participations** ” shall mean, with respect to an L/C Issuer, the aggregate amount, if any, of participations in respect of any outstanding L/C Disbursement that shall not have been funded by the Revolving Credit Lenders in accordance with Section 2.03(c) .

“ **Uniform Commercial Code** ” or “ **UCC** ” means (i) the Uniform Commercial Code as the same may from time to time be in effect in the State of New York or (ii) the Uniform Commercial Code (or similar code or statute) of another jurisdiction, to the extent it applies to any item or items of Collateral. References in this Agreement and the other Loan Documents to specific sections of the Uniform Commercial Code are based on the Uniform Commercial Code as in effect in the State of New York on the date hereof. In the event such Uniform Commercial Code is amended or another Uniform Commercial Code described in clause (ii) is applicable, such section reference shall be deemed to be references to the comparable section in such amended or other Uniform Commercial Code.

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

“ **United States Tax Compliance Certificate** ” has the meaning set forth in Section 3.01(d)(ii)(C) .

“ **Unreimbursed Amount** ” has the meaning set forth in Section 2.03(c)(i) .

“ **Unrestricted** ” means, when referring to cash or Cash Equivalents, that such cash or Cash Equivalents are not Restricted.

“ **Unrestricted Subsidiary** ” means any Subsidiary of the Borrowers (other than the BD Subsidiary or the Advisory Services Subsidiary) designated by the Borrower Representative as an Unrestricted Subsidiary pursuant to Section 6.14 subsequent to the Closing Date.

“ **USA Patriot Act** ” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56, as amended, reauthorized or otherwise modified from time to time.

“ **Weighted Average Life to Maturity** ” means, when applied to any Indebtedness at any date, the number of years obtained by dividing: (i) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (ii) the then outstanding principal amount of such Indebtedness.

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

Section 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 meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) The words "herein," "hereto," "hereof" and "hereunder" and words of similar import when used in any Loan Document shall refer to such Loan Document as a whole and not to any particular provision thereof.

(c) Article, Section, Exhibit and Schedule references are to the Loan Document in which such reference appears.

(d) The terms "include," "includes" and "including" are by way of example and not limitation.

(e) The word "or" is not exclusive.

(f) The term "documents" includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form.

(g) 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."

(h) 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.

(i) For purposes of determining compliance with any Section of Article VII at any time, in the event that any Lien, Investment, Indebtedness (whether at the time of incurrence or upon application of all or a portion of the proceeds thereof), Disposition, Restricted Payment, Affiliate transaction, Contractual Obligation or prepayment of Indebtedness meets the criteria of one or more than one of the categories of transactions permitted pursuant to any clause of such Sections, such transaction (or portion thereof) at any time shall be permitted under one or more of such clauses as determined by the Borrower Representative in its sole discretion at such time.

(j) All references to "knowledge" of any Loan Party or a Restricted Subsidiary means the actual knowledge of a Responsible Officer.

(k) The words "asset" and "property" shall be construed as having 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.

(l) All references to any Person shall be constructed to include such Person's successors and assigns (subject to any restriction on assignment set forth herein) and, in the case of any Governmental Authority, any other Governmental Authority that shall have succeeded to any or all of the functions thereof.

Section 1.03. Accounting Terms. 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, except as otherwise specifically prescribed herein. Notwithstanding any other provision contained herein, (a) any lease that is treated as an operating lease for purposes of GAAP as of the date hereof shall not be treated as Indebtedness, Attributable Indebtedness or as a Capitalized Lease and shall continue to be treated as an operating lease (and any future lease, if it were in effect on the date hereof, that would be treated as an operating lease for purposes of GAAP as of the date hereof shall be treated as an operating lease), in each case for purposes of this Agreement, notwithstanding any actual or proposed change in GAAP after the date hereof and (b) all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to (i) Statement of Financial Accounting Standards 141R or ASC 805 (or any other financial accounting standard having a similar result or effect) or (ii) any election under Financial Accounting Standards Codification No. 825—Financial Instruments, or any successor thereto (including pursuant to the Accounting Standards Codification), to value any Indebtedness of any Consolidated Party at "fair value" as defined therein.

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

Section 1.05. References to Agreements, Laws, Etc. Unless otherwise expressly provided herein, (a) references to Organization Documents, agreements (including the Loan Documents) and other contractual instruments shall be deemed to include all subsequent amendments, refinancings, restatements, renewals, restructurings, extensions, supplements and other modifications thereto, but only to the extent that such amendments, refinancings, restatements, renewals, restructurings, extensions, supplements and other modifications are not prohibited by the Loan Documents; and (b) references to any Law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such Law.

Section 1.06. Times of Day . Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

Section 1.07. Timing of Payment or Performance . Except as otherwise expressly provided herein, 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 (other than as described in the definition of "Interest Period") or performance shall extend to the immediately succeeding Business Day.

Section 1.08. Limited Condition Transactions . Notwithstanding anything to the contrary herein, in connection with any action being taken solely in connection with a Limited Condition Transaction, for purposes of:

(a) determining compliance with any provision of this Agreement (other than the covenant in Section 7.11 , the definition of "Applicable Margin" and the definition of "Applicable ECF Percentage") which requires the calculation of any financial ratio or test, including the Consolidated First Lien Net Leverage Ratio, Consolidated Secured Net Leverage Ratio and Consolidated Total Net Leverage Ratio (and, for the avoidance of doubt, the financial ratios set forth in Sections 2.14(d) and 7.03(r)); or

(b) testing availability under baskets set forth in this Agreement;

in each case, at the option of the Borrower Representative (the Borrower Representative's election to exercise such option in connection with any Limited Condition Transaction, an " **LCT Election** "), the date of determination of whether any such action is permitted hereunder shall be deemed to be the date the definitive agreements for such Limited Condition Transaction are entered into (the " **LCT Test Date** "), and if, after giving effect to the Limited Condition Transaction and the other transactions to be entered into in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) on a Pro Forma Basis as if they had occurred at the beginning of the most recent Test Period for which financial statements were (or were required to be) delivered pursuant to Section 6.01(a) or (b) ending prior to the LCT Test Date (for income statement purposes) or at the end of such most recent Test Period (for balance sheet purposes), the Borrowers would have been permitted to take such action on the relevant LCT Test Date in compliance with such ratio, test or basket, such ratio, test or basket shall be deemed to have been complied with. For the avoidance of doubt, if the Borrower Representative has made an LCT Election and any of the ratios, tests or baskets for which compliance was determined or tested as of the LCT Test Date are exceeded as a result of fluctuations in any such ratio, test or basket, including due to fluctuations in Consolidated EBITDA or Total Assets of the Consolidated Parties or the Person subject to such Limited Condition Transaction, at or prior to the consummation of the relevant transaction or action, such baskets, tests or ratios will not be deemed to have been exceeded as a result of such fluctuations. If the Borrower Representative has made an LCT Election for any Limited Condition Transaction, then in connection with any calculation of any ratio, test or basket availability with respect to the incurrence of Indebtedness or Liens, the making of Restricted Payments, the making of any Investment permitted under Section 7.02 , the prepayment, redemption, purchase, defeasance or other satisfaction of Indebtedness, or the designation of an Unrestricted Subsidiary (a " **Subsequent Transaction** ") following the relevant LCT Test Date and prior to the earlier of the date on which such Limited Condition Transaction is consummated or the date that the definitive agreement or irrevocable notice for such Limited Condition Transaction is terminated or expires without consummation of such Limited Condition Transaction, for purposes of determining whether such Subsequent Transaction is permitted under this Agreement, any such ratio, test or basket shall be required to be satisfied on a Pro Forma Basis (i) assuming such Limited Condition Transaction and other transactions in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) have been consummated and (ii) assuming such Limited Condition Transaction and other transactions in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) have not been consummated.

Section 1.09. Pro Forma Calculations .

(a) Notwithstanding anything to the contrary herein, financial ratios and tests, including the Consolidated Total Net Leverage Ratio, the Consolidated First Lien Net Leverage Ratio and the Consolidated Secured Net Leverage Ratio shall be calculated in the manner prescribed by this Section 1.09 . Whenever a financial ratio or test is to be calculated on a *pro forma* basis, (i) the reference to the "Test Period" for purposes of calculating such financial ratio or test shall be deemed to be a reference to, and shall be based on, the most recently ended Test Period for which financial statements have been delivered pursuant to Section 6.01(a) or (b) and (ii) prior to the initial date upon which the financial statements and certificates required by Section 6.01(a) or 6.01(b) , as the case may be, and Section 6.02(a) are required to be delivered, compliance shall be calculated on a *pro forma* basis as of the period of four consecutive fiscal quarters ending September 30, 2015.

(b) For purposes of calculating any financial ratio or test, Specified Transactions that have been made (i) during the applicable Test Period and (ii) subsequent to such Test Period and prior to or simultaneously with the event for which the calculation of any such ratio is made shall be calculated on a *pro forma* basis assuming that all such Specified Transactions (and any increase or decrease in Consolidated EBITDA and the component financial definitions used therein attributable to any Specified Transaction) had occurred on the first day of the applicable Test Period (or, in the case of the determination of Total Assets, the last day). If since the beginning of any applicable Test Period any Person that subsequently became a Restricted Subsidiary or was merged, amalgamated or consolidated with or into a Borrower or any of its Restricted Subsidiaries since the beginning of such Test Period shall have made any Specified Transaction that would have required adjustment pursuant to this Section 1.09 , then such financial ratio or test (or the calculation of Total Assets) shall be calculated to give *pro forma* effect thereto in accordance with this Section 1.09 .

(c) Whenever *pro forma* effect is to be given to a Specified Transaction, the *pro forma* calculations shall be made in good faith by a responsible financial or accounting officer of the Borrower Representative and include, for the avoidance of doubt, the amount of "run-rate" cost savings and synergies projected by the Borrower Representative in good faith to be realized as a result of specified actions taken, committed to be taken or expected to be taken (calculated on a *pro forma* basis as though such cost savings and synergies had been realized on the first day of such period and as if such cost savings and synergies were realized during the entirety of such period) and "run-rate" means the full recurring benefit for a period that is associated with any action taken, committed to be taken or expected to be taken (including any savings expected to result from the elimination of a public target's compliance costs with public company requirements) net of the amount of actual benefits realized during such period from such actions, and any such adjustments shall be included in the initial *pro forma* calculations of such financial ratios or tests and during any subsequent Test Period in which the effects thereof are expected to be realized relating to such Specified Transaction; *provided* that (A) such amounts are factually supportable, reasonably identifiable, quantifiable, attributable to the transaction and based on assumptions believed by the Borrower Representative in good faith to be reasonable at the time made and supported by an officer's certificate delivered to the Administrative Agent, and calculated on a pro forma basis as though such cost savings and synergies had been realized on the first day of such period as if such cost savings and synergies were realized during the entirety of such period relating to such specified transaction, net of the amount of actual benefits realized during such period from such actions, (B) such actions are taken or expected to be taken no later than 12 months after the date of such Specified Transaction, (C) no amounts shall be added pursuant to this Section 1.09(c) to the extent duplicative of any amounts that are otherwise added back in computing Consolidated EBITDA, whether through a *pro forma* adjustment or otherwise, with respect to such period and (D) the aggregate amount of cost savings and synergies added pursuant to this clause (c) shall not exceed (i) 10% of Consolidated EBITDA for such Test Period (giving pro forma effect to the relevant Specified Transaction (but not to any cost savings or synergies)) and (ii) when aggregated with the aggregate amount for all cash items added pursuant to clauses (a)(iv)(B), (a)(vi), (a)(vii) and (a)(ix) of the definition of "Consolidated EBITDA," 15% of Consolidated EBITDA for such Test Period (giving pro forma effect to the relevant Specified Transaction (but not to any cost savings or synergies)).

(d) Notwithstanding anything to the contrary herein, when calculating the Consolidated First Lien Net Leverage Ratio or the Consolidated Secured Net Leverage Ratio, as applicable, on a Pro Forma Basis for purposes of Sections 2.14(d)(iii)(B) , 7.03(r)(i)(B) or 7.03(r)(ii)(B) , any Indebtedness that is incurred substantially contemporaneously therewith under any other provision of Section 2.14 or Section 7.03 shall be disregarded.

Section 1.10. Letters of Credit . Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the amount available to be drawn under such Letter of Credit in effect at such time; *provided* , *however* , that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

Section 1.11. Certifications . All certifications to be made hereunder by an officer or representative of a Loan Party shall be made by such person in his or her capacity solely as an officer or a representative of such Loan Party, on such Loan Party's behalf and not in such Person's individual capacity.

ARTICLE II

THE COMMITMENTS AND CREDIT EXTENSIONS

Section 2.01. The Loans .

(m) *Term Borrowings* . Subject to the terms and conditions expressly set forth herein, each Term Lender severally agrees to make to the Borrowers on the Closing Date one or more Term Borrowings denominated in Dollars in an aggregate amount not to exceed at any time outstanding the amount of such Term Lender's Term Commitment. Amounts borrowed under this Section 2.01(a) and repaid or prepaid may not be re-borrowed. Term Loans may be ABR Loans or Eurodollar Rate Loans, as further provided herein.

(n) *Revolving Credit Borrowings* . Subject to the terms and conditions expressly set forth herein, after the Closing Date each Revolving Credit Lender severally agrees to make Revolving Credit Loans denominated in Dollars, to the Borrowers pursuant to Section 2.02 (each such loan, together with any loans made pursuant to an Extended Revolving Credit Commitment, Incremental Revolving Loans and Refinancing Revolving Credit Loans, a " **Revolving Credit Loan** ") from time to time, on any Business Day during the period from the Business Day immediately following the Closing Date until the Maturity Date with respect to such Revolving Credit Lender's applicable Revolving Credit Commitment, in an aggregate principal amount not to exceed at any time outstanding the amount of such Lender's Revolving Credit Commitment at such time; *provided* that after giving effect to any Revolving Credit Borrowing, the aggregate Outstanding Amount of the Revolving Credit Loans of any Lender, *plus* such Lender's Pro Rata Share or other applicable share provided for under this Agreement of the Outstanding Amount of all L/C Obligations, *plus* such Lender's Pro Rata Share or other applicable share provided for under this Agreement of the Outstanding Amount of all Swing Line Loans shall not exceed such Lender's Revolving Credit Commitment. Within the limits of each Lender's Revolving Credit Commitment, and subject to the other terms and conditions hereof, the Borrowers may borrow under this Section 2.01(b) , prepay under Section 2.05 , and re-borrow under this Section 2.01(b) in each case without

premium or penalty (subject to Section 3.05). Revolving Credit Loans may be ABR Loans or Eurodollar Rate Loans, as further provided herein.

Section 2.02. Borrowings, Conversions and Continuations of Loans .

(a) Each Term Borrowing, each Revolving Credit Borrowing, each conversion of Term Loans or Revolving Credit Loans from one Type to the other, and each continuation of Eurodollar Rate Loans shall be made upon the applicable Borrower's notice to the Administrative Agent, which may be given by telephone. Each such notice must be received by the Administrative Agent (1) not later than 1:00 p.m., three Business Days prior to the requested date of any Borrowing or continuation of Eurodollar Rate Loans or any conversion of ABR Loans to Eurodollar Rate Loans, and (2) not later than 1:00 p.m., one Business Day prior to the requested date of any Borrowing of ABR Loans; *provided* that the notice referred to in clause (1) above may be delivered no later than one Business Day prior to the Closing Date in the case of the initial Credit Extensions to be made on the Closing Date. Each telephonic notice by the applicable Borrower pursuant to this Section 2.02(a) must be confirmed promptly by delivery (including via email) to the Administrative Agent of a written Committed Loan Notice (and will not be effective until so confirmed), appropriately completed and signed by a Responsible Officer of such Borrower. Except as otherwise provided in Section 2.14 , each Borrowing of, conversion to or continuation of Eurodollar Rate Loans shall be in a minimum principal amount of $2,000,000, or a whole multiple of $1,000,000, in excess thereof. Except as provided herein, each Borrowing of or conversion to ABR Loans shall be in a minimum principal amount of $1,000,000 or a whole multiple of $500,000 in excess thereof. Each Committed Loan Notice (whether telephonic or written) shall specify (i) whether such Borrower is requesting a Term Borrowing, a Revolving Credit Borrowing, a conversion of Term Loans or Revolving Credit Loans from one Type to the other or a continuation of Eurodollar Rate Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Loans to be borrowed, converted or continued, (iv) the Type of Loans to be borrowed or to which existing Term Loans or Revolving Credit Loans are to be converted, (v) if applicable, the duration of the Interest Period with respect thereto and (vi) wire instructions of the account(s) to which funds are to be disbursed (it being understood, for the avoidance of doubt, that the amount to be disbursed to any particular account may be less than the minimum or multiple limitations set forth above so long as the aggregate amount to be disbursed to all such accounts pursuant to such Borrowing meets such minimums and multiples). Notwithstanding anything herein to the contrary, until the Administrative Agent shall have notified the Borrower that the primary syndication of the Initial Term Loans has been completed, the Borrower shall not be permitted to request a Term Borrowing of Eurodollar Rate Loans with an Interest Period in excess of one month. If the applicable Borrower fails to specify a Type of Loan in a Committed Loan Notice or fail to give a timely notice requesting a conversion or continuation, then the applicable Term Loans or Revolving Credit Loans shall be made as, or converted to, ABR Loans. Any such automatic conversion to ABR Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Eurodollar Rate Loans. If the applicable Borrower requests a Borrowing of, conversion to, or continuation of Eurodollar Rate Loans in any such Committed Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month. Notwithstanding anything to the contrary herein, a Swing Line Loan may not be converted to a Eurodollar Rate Loan. If not otherwise specified, the applicable Borrower for purposes of receiving the proceeds of a Borrowing set forth in a Committed Loan Notice or other notice hereunder shall be the Borrower Representative.

(b) Following receipt of a Committed Loan Notice, the Administrative Agent shall promptly notify each Lender of the amount of its Pro Rata Share or other applicable share provided for under this Agreement of the applicable Class of Loans, and if no timely notice of a conversion or continuation is provided by the applicable Borrower, the Administrative Agent shall notify each Lender of the details of any automatic conversion to ABR Loans or continuation described in Section 2.02(a) . In the case of each Borrowing, each Appropriate Lender shall make the amount of its Loan available to the Administrative Agent in Same Day Funds at the Administrative Agent's Office not later than 1:00 p.m., on the Business Day specified in the applicable Committed Loan Notice. The Administrative Agent shall make all funds so received available to the applicable Borrower in like funds as received by the Administrative Agent by wire transfer of such funds in accordance with instructions provided by the applicable Borrower to (and reasonably acceptable to) the Administrative Agent; *provided* that if, on the date the Committed Loan Notice with respect to such Borrowing is given by such Borrower, there are L/C Borrowings outstanding, then the proceeds of such Borrowing shall be applied, *first* , to the payment in full of any such L/C Borrowing and *second* , to such Borrower as provided above.

(c) Except as otherwise provided herein, a Eurodollar Rate Loan may be continued or converted only on the last day of an Interest Period for such Eurodollar Rate Loan unless the applicable Borrower pays the amount due, if any, under Section 3.05 in connection therewith. During the occurrence and continuation of an Event of Default, the Administrative Agent or the Required Lenders may require that no Loans may be converted to or continued as Eurodollar Rate Loans.

(d) The Administrative Agent shall promptly notify the applicable Borrower and the Lenders of the interest rate applicable to any Interest Period for Eurodollar Rate Loans upon determination of such interest rate. The determination of the Eurodollar Rate by the Administrative Agent shall be conclusive in the absence of manifest error.

(e) After giving effect to all Term Borrowings, all Revolving Credit Borrowings, all conversions of Term Loans or Revolving Credit Loans from one Type to the other, and all continuations of Term Loans or Revolving Credit Loans as the same Type, there shall not be more than eight Interest Periods in effect (or such greater amount as may be agreed by the Administrative Agent in its sole discretion).

(f) The failure of any Lender to make the Loan to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its Loan on the date of such Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the Loan to be made by such other Lender on the date of any Borrowing.

(g) Unless the Administrative Agent shall have received notice from a Lender prior to the date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's Pro Rata Share or other applicable share provided for under this Agreement of such Borrowing, the Administrative Agent may assume that such Lender has made such Pro Rata Share or other applicable share provided for under this Agreement available to the Administrative Agent on the date of such Borrowing in accordance with Section 2.02(b) above, and the Administrative Agent may, in reliance upon such assumption, make available to the applicable Borrower on such date a corresponding amount. If the Administrative Agent shall have so made funds available, then, to the extent that such Lender shall not have made such portion available to the Administrative Agent, each of such Lender and such Borrower severally agree to repay to the Administrative Agent promptly after written demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to such Borrower until the date such amount is repaid to the Administrative Agent at (i) in the case of such Borrower, the interest rate applicable at the time to the Loans comprising such Borrowing and (ii) in the case of such Lender, the Overnight Rate *plus* any administrative, processing or similar fees customarily charged by the Administrative Agent in accordance with the foregoing. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this Section 2.02(g) shall be conclusive in the absence of manifest error. If the applicable Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to such Borrower the amount of such interest paid by such Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by such Borrower shall be without prejudice to any claim such Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

Section 2.03. Letters of Credit .

(a) *The Letter of Credit Commitment* . %4. Subject to the terms and conditions expressly set forth herein, (A) each L/C Issuer agrees, in reliance upon the agreements of the other Revolving Credit Lenders set forth in this Section 2.03 , (1) from time to time on any Business Day during the period from the Closing Date until the Letter of Credit Expiration Date, to issue Letters of Credit at sight denominated in Dollars for the account of either Borrower or any Restricted Subsidiary of a Borrower and to amend or renew Letters of Credit previously issued by it, in accordance with Section 2.03(b) , and (2) to honor drafts under the Letters of Credit and (B) the Revolving Credit Lenders severally agree to participate in Letters of Credit issued pursuant to this Section 2.03 ; *provided* that no L/C Issuer shall be obligated to make any L/C Credit Extension with respect to any Letter of Credit, and no Lender shall be obligated to participate in any Letter of Credit if as of the date of such L/C Credit Extension, (x) the Revolving Credit Exposure of any Revolving Credit Lender would exceed such Lender's Revolving Credit Commitment or (y) the Outstanding Amount of the L/C Obligations would exceed the Letter of Credit Sublimit. Within the foregoing limits, and subject to the terms and conditions hereof, the ability of the Borrowers and the Restricted Subsidiaries to obtain Letters of Credit shall be fully revolving, and accordingly the Borrowers and the Restricted Subsidiaries may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired, terminated or that have been drawn upon and reimbursed.

(i) An L/C Issuer shall be under no obligation to issue any Letter of Credit if:

(A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain such L/C Issuer from issuing such Letter of Credit, or any Law applicable to such L/C Issuer or any directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over such L/C Issuer shall prohibit, or direct that such L/C Issuer refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon such L/C Issuer with respect to such Letter of Credit any restriction, reserve or capital requirement (for which such L/C Issuer is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon such L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the Closing Date (for which such L/C Issuer is not otherwise compensated hereunder);

(B) subject to Section 2.03(b)(iii) , the expiry date of such requested Letter of Credit would occur more than 12 months after the date of issuance or last renewal unless (1) each Appropriate Lender and the L/C Issuer has approved of such expiration date or (2) the L/C Issuer thereof has approved of such expiration date and the Outstanding Amount of L/C Obligations in respect of such requested Letter of Credit has been Cash Collateralized or backstopped in a manner reasonably satisfactory to such L/C Issuer;

(C) the expiry date of such requested Letter of Credit would occur after the Letter of Credit Expiration Date, unless such Letter of Credit has been Cash Collateralized or backstopped in a manner reasonably satisfactory to such L/C Issuer;

(D) the issuance of such Letter of Credit would violate any policies of such L/C Issuer applicable to letters of credit generally; and

(E) any Revolving Credit Lender is at that time a Defaulting Lender, unless such L/C Issuer has entered into arrangements, including the delivery of Cash Collateral, satisfactory to such L/C Issuer (in its sole discretion) with the applicable Borrower or such Lender to eliminate such L/C Issuer's actual or potential Fronting Exposure (after giving effect to Section 2.17(a)(iv)) with respect to the Defaulting Lender arising from either the Letter of Credit then proposed to be issued or that Letter of Credit and all other L/C Obligations as to which such L/C Issuer has actual or potential Fronting Exposure as it may elect in its sole discretion.

(ii) An L/C Issuer shall be under no obligation to amend any Letter of Credit if (A) such L/C Issuer would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

(iii) Each L/C Issuer shall act on behalf of the Revolving Credit Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and each L/C Issuer shall have all of the benefits and immunities (A) provided to the Administrative Agent in Article IX with respect to any acts taken or omissions suffered by such L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term "Administrative Agent" as used in Article IX included such L/C Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to such L/C Issuer.

(b) *Procedures for Issuance and Amendment of Letters of Credit; Auto-Extension Letters of Credit* . %4. Each Letter of Credit shall be issued or amended, as the case may be, upon the request of the Borrower Representative delivered to an L/C Issuer (with a copy to the Administrative Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a Responsible Officer of the Borrower Representative. Such Letter of Credit Application must be received by the relevant L/C Issuer and the Administrative Agent not later than 1:00 p.m., at least three Business Days prior to the proposed issuance date or date of amendment, as the case may be; or, in each case, such later date and time as the relevant L/C Issuer may agree in a particular instance in its sole discretion. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail reasonably satisfactory to the relevant L/C Issuer: (a) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (b) the amount thereof; (c) the expiry date thereof; (d) the name and address of the beneficiary thereof; (e) the documents to be presented by such beneficiary in case of any drawing thereunder; (f) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; and (g) such other matters as the relevant L/C Issuer may reasonably request. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail reasonably satisfactory to the relevant L/C Issuer: (1) the Letter of Credit to be amended; (2) the proposed date of amendment thereof (which shall be a Business Day); (3) the nature of the proposed amendment; and (4) such other matters as the relevant L/C Issuer may reasonably request.

(i) Promptly after receipt of any Letter of Credit Application, the relevant L/C Issuer will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received a copy of such Letter of Credit Application from the Borrower Representative and, if not, such L/C Issuer will provide the Administrative Agent with a copy thereof. Upon receipt by the relevant L/C Issuer of confirmation from the Administrative Agent that the requested issuance or amendment is permitted in accordance with the terms hereof, then, subject to the terms and conditions hereof, such L/C Issuer shall, on the requested date, issue a Letter of Credit for the account of the applicable Borrower (or its applicable Restricted Subsidiary) or enter into the applicable amendment, as the case may be. Immediately upon the issuance of each Letter of Credit, each Revolving Credit Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the relevant L/C Issuer a risk participation in such Letter of Credit in an amount equal to the product of such Lender's Pro Rata Share or other applicable share provided for under this Agreement times the stated amount of such Letter of Credit.

(ii) If the Borrower Representative so requests in any applicable Letter of Credit Application with respect to any standby Letter of Credit, the relevant L/C Issuer shall agree to issue a Letter of Credit that has automatic extension provisions (each, an " **Auto-Extension Letter of Credit** "); *provided* that any such Auto-Extension Letter of Credit must permit the relevant L/C Issuer to prevent any such extension at least once in each 12-month period (commencing with the date of issuance of such Letter of Credit and in no event extending beyond the Letter of Credit Expiration Date unless the L/C Issuer thereof has approved of such expiration date and such Letter of Credit has been Cash Collateralized or backstopped in a manner reasonably acceptable to the Administrative Agent and the applicable L/C Issuer) by giving prior notice to the beneficiary thereof not later than a day (the " **Non-Extension Notice Date** ") in each such 12-month period to be mutually agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by the relevant L/C Issuer, the Borrower Representative shall not be required to make a specific request to the relevant L/C Issuer for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Lenders shall be deemed to have authorized (but may not require) the relevant L/C Issuer to permit the extension of such Letter of Credit at any time to an expiry date not later than the Letter of Credit Expiration Date; *provided* that the relevant L/C Issuer shall not permit any such extension if (A) the relevant L/C Issuer has determined that it would have no obligation at such time to issue such Letter of Credit in its extended form under the terms hereof (by reason of the provisions of Section 2.03(a)(ii) or otherwise), or (B) it has received notice (which may be by telephone or in writing) on or before the day that is seven Business Days before the Non-Extension Notice Date from the Administrative Agent, any Revolving Credit Lender or the Borrower Representative that one or more of the applicable conditions specified in Section 4.02 is not then satisfied or waived.

(iii) Promptly after issuance of any Letter of Credit or any amendment to a Letter of Credit, the relevant L/C Issuer will also deliver to the Borrower Representative and the Administrative Agent a true and complete copy of such Letter of Credit or amendment.

(c) *Drawings and Reimbursements; Funding of Participations* . %4. Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the relevant L/C Issuer shall notify promptly the Borrower Representative and the Administrative Agent thereof. Not later than 1:00 p.m., on the first Business Day immediately following any payment by an L/C Issuer under a Letter of Credit, with written notice to the Borrower Representative (each such date, an " **Honor Date** "), the Borrowers shall be jointly and severally liable to reimburse such L/C Issuer through the Administrative Agent in an amount equal to the amount of such drawing in Dollars; *provided* that if such reimbursement is not made on the date of drawing, the Borrowers shall pay interest to the relevant L/C Issuer on such amount at the rate applicable to ABR Loans (without duplication of interest payable on L/C Borrowings). The applicable L/C Issuer shall notify the Borrower Representative in writing of the amount of the drawing promptly following the determination thereof. If the Borrowers fails to so reimburse such L/C Issuer by such time, the Administrative Agent shall promptly notify each Appropriate Lender of the Honor Date, the amount of the unreimbursed drawing (the " **Unreimbursed Amount** ") and the amount of such Appropriate Lender's Pro Rata Share or other applicable share provided for under this Agreement thereof. In such event, the Borrower Representative shall be deemed to have requested a Revolving Credit Borrowing of ABR Loans to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, without regard to the minimum and multiples specified in Section 2.02 for the principal amount of ABR Loans but subject to the amount of the unutilized portion of the Revolving Credit Commitments of the Appropriate Lenders and the conditions set forth in Section 4.02 (other than the delivery of a Committed Loan Notice). Any notice given by an L/C Issuer or the Administrative Agent pursuant to this Section 2.03(c)(i) may be given by telephone if immediately confirmed in writing; *provided* that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(i) Each Appropriate Lender (including any Lender acting as an L/C Issuer) shall upon any notice pursuant to Section 2.03(c)(i) make funds available to the Administrative Agent for the account of the relevant L/C Issuer in Dollars at the Administrative Agent's Office for payments in an amount equal to its Pro Rata Share or other applicable share provided for under this Agreement of the Unreimbursed Amount not later than 1:00 p.m. on the Business Day specified in such notice by the Administrative Agent, whereupon, subject to the provisions of Section 2.03(c)(iii) , each Appropriate Lender that so makes funds available shall be deemed to have made an ABR Loan to the Borrowers in such amount. The Administrative Agent shall remit the funds so received to the relevant L/C Issuer.

(ii) With respect to any Unreimbursed Amount that is not fully refinanced by a Revolving Credit Borrowing of ABR Loans because the conditions set forth in Section 4.02 cannot be satisfied or for any other reason, the Borrowers shall be deemed to have incurred from the relevant L/C Issuer an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on written demand (together with interest) and shall bear interest at the Default Rate for Revolving Credit Loans (which begins to accrue upon funding by the applicable L/C Issuer). In such event, each Appropriate Lender's payment to the Administrative Agent for the account of the relevant L/C Issuer pursuant to Section 2.03(c)(ii) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section 2.03 .

(iii) Until each Appropriate Lender funds its Revolving Credit Loan or L/C Advance pursuant to this Section 2.03(c) to reimburse the relevant L/C Issuer for any amount drawn under any Letter of Credit, interest in respect of such Lender's Pro Rata Share or other applicable share provided for under this Agreement of such amount shall be solely for the account of the relevant L/C Issuer.

(iv) Each Revolving Credit Lender's obligation to make Revolving Credit Loans or L/C Advances to reimburse an L/C Issuer for amounts drawn under Letters of Credit, as contemplated by this Section 2.03(c) , shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the relevant L/C Issuer, either Borrower or any other Person for any reason whatsoever; (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; *provided* that each Revolving Credit Lender's obligation to make Revolving Credit Loans pursuant to this Section 2.03(c) is subject to the conditions set forth in Section 4.02 (other than delivery by the Borrower Representative of a Committed Loan Notice). No such making of an L/C Advance shall relieve or otherwise impair the obligation of the Borrowers to reimburse the relevant L/C Issuer for the amount of any payment made by such L/C Issuer under any Letter of Credit, together with interest as provided herein.

(v) If any Revolving Credit Lender fails to make available to the Administrative Agent for the account of the relevant L/C Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.03(c) by the time specified in Section 2.03(c)(ii) , such L/C Issuer shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to such L/C Issuer at a rate *per annum* equal to the applicable Overnight Rate from time to time in effect, plus any reasonable administrative, processing or similar fees customarily charged by such L/C Issuer in connection with the foregoing. A certificate of the relevant L/C Issuer submitted to any Revolving Credit Lender (through the Administrative Agent) with respect to any amounts owing under this Section 2.03(c)(vi) shall be conclusive absent manifest error.

(d) *Repayment of Participations* . %4. If, at any time after an L/C Issuer has made a payment under any Letter of Credit and has received from any Revolving Credit Lender such Lender's L/C Advance in respect of such payment in accordance with Section 2.03(c) , the Administrative Agent receives for the account of such L/C Issuer any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from the Borrowers or otherwise, including proceeds of Cash Collateral applied thereto by the Administrative Agent), the Administrative Agent will distribute to such Lender its Pro Rata Share or other applicable share provided for under this Agreement thereof (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's L/C Advance was outstanding) in the amount received by the Administrative Agent.

(i) If any payment received by the Administrative Agent for the account of an L/C Issuer pursuant to Section 2.03(c)(i) is required to be returned under any of the circumstances described in Section 10.06 (including pursuant to any settlement entered into by such L/C Issuer in its discretion), each Appropriate Lender shall pay to the Administrative Agent for the account of such L/C Issuer its Pro Rata Share or other applicable share provided for under this Agreement thereof on demand of the Administrative Agent, *plus* interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate *per annum* equal to the applicable Overnight Rate from time to time in effect, plus any reasonable administrative, processing or similar fees customarily charged by such L/C Issuer in connection with the foregoing.

(e) *Obligations Absolute* . The obligation of the Borrowers to reimburse the relevant L/C Issuer for each drawing under each Letter of Credit issued by it and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(i) any lack of validity or enforceability of such Letter of Credit, this Agreement or any other agreement or instrument relating thereto;

(ii) the existence of any claim, counterclaim, setoff, defense or other right that any Loan Party may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the relevant L/C Issuer or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) any payment by the relevant L/C Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by the relevant L/C Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law;

(v) any exchange, release or non-perfection of any Collateral, or any release or amendment or waiver of or consent to departure from the Guaranty or any other guarantee, for all or any of the Obligations of any Loan Party in respect of such Letter of Credit; or

(vi) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Loan Party (other than payment in cash or performance in full);

provided that the foregoing in clauses (i) through (vi) shall not excuse any L/C Issuer from liability to either Borrower to the extent of any direct damages (as opposed to consequential or exemplary damages, claims in respect of which are waived by the Borrowers to the extent permitted by applicable Law) suffered by such Borrower that are caused by such L/C Issuer's (or its Related Parties') gross negligence or willful misconduct as determined in a final and non-appealable judgment by a court of competent jurisdiction when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof.

(f) *Role of L/C Issuers* . Each Lender and each Borrower agrees that, in paying any drawing under a Letter of Credit, the relevant L/C Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the L/C Issuers, any Agent-Related Person nor any of the respective correspondents, participants or assignees of any L/C Issuer shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Lenders or the Lenders holding a majority of the Revolving Credit Commitments, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct as determined in a final and non-appealable judgment by a court of competent jurisdiction; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Letter of Credit Application. The Borrowers hereby assume all risks of the acts or omissions of any beneficiary or transferee with respect to either of their use of any Letter of Credit; *provided* that this assumption is not intended to, and shall not, preclude

either Borrower pursuing such rights and remedies as they may have against the beneficiary or transferee at law or under any other agreement. None of the L/C Issuers, any Agent-Related Person, nor any of the respective correspondents, participants or assignees of any L/C Issuer, shall be liable or responsible for any of the matters described in clauses (i) through (vi) of Section 2.03(e) ; *provided* that anything in such clauses to the contrary notwithstanding, a Borrower may have a claim against an L/C Issuer, and such L/C Issuer may be liable to such Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by such Borrower which such Borrower proves were caused by such L/C Issuer's (or its Related Parties') willful misconduct or gross negligence or such L/C Issuer's (or its Related Parties') willful misconduct or grossly negligent failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit, in each case as determined in a final and non-appealable judgment by a court of competent jurisdiction. In furtherance and not in limitation of the foregoing, each L/C Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and no L/C Issuer shall be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason.

(g) *Cash Collateral* . %4. If, as of the Letter of Credit Expiration Date, any Letter of Credit may for any reason remain outstanding and partially or wholly undrawn, (ii) if any Event of Default occurs and is continuing and the Administrative Agent or the Lenders holding a majority of the Revolving Credit Commitments, as applicable, require the Borrowers to Cash Collateralize the L/C Obligations pursuant to Section 8.02 or (iii) if an Event of Default set forth under Section 8.01(f) occurs and is continuing, the Borrowers shall Cash Collateralize all L/C Obligations in an amount equal to 105% of the Outstanding Amount of such L/C Obligations determined as of such date, and shall do so not later than 2:00 p.m. on (x) in the case of the immediately preceding clauses (i) and (ii) , the next Business Day following the Business Day that the Borrower Representative receives written notice thereof, and (y) in the case of the immediately preceding clause (iii) , the Business Day on which an Event of Default set forth under Section 8.01(f) occurs or, if such day is not a Business Day, the Business Day immediately succeeding such day. At any time that there shall exist a Defaulting Lender, promptly upon the written request of the Administrative Agent or the applicable L/C Issuer, the Borrowers shall deliver to the Administrative Agent Cash Collateral in an amount sufficient to cover all Fronting Exposure (solely after giving effect to Section 2.17(a)(iv) and any Cash Collateral provided by the Defaulting Lender). For purposes hereof, " **Cash Collateralize** " means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the relevant L/C Issuer and the Appropriate Lenders, as collateral for the L/C Obligations, cash or deposit account balances (" **Cash Collateral** ") pursuant to documentation in form and substance reasonably satisfactory to the Administrative Agent and the relevant L/C Issuer (which documents are hereby consented to by the Appropriate Lenders). Derivatives of such term have corresponding meanings. The Borrower hereby grant to the Administrative Agent, for the benefit of the L/C Issuers and the Revolving Credit Lenders of the applicable Facility, a security interest in all such cash, deposit accounts and all balances therein and all proceeds of the foregoing. Cash Collateral shall be maintained in blocked accounts at the Administrative Agent and may be invested in readily available Cash Equivalents (for the benefit of the Borrowers). If at any time the Administrative Agent determines that any funds held as Cash Collateral are expressly subject to any right or claim of any Person other than the Administrative Agent (on behalf of the Secured Parties) or nonconsensual liens permitted under Section 7.01 or that the total amount of such funds is less than the aggregate Outstanding Amount of all L/C Obligations, the Borrowers will, promptly following written demand by the Administrative Agent, pay to the Administrative Agent, as additional funds to be deposited and held in the deposit accounts at the Administrative Agent as aforesaid, an amount equal to the excess of (a) such aggregate Outstanding Amount over (b) the total amount of funds, if any, then held as Cash Collateral that the Administrative Agent reasonably determines to be free and clear of any such right and claim. Upon the drawing of any Letter of Credit for which funds are on deposit as Cash Collateral, such funds shall be applied, to the extent permitted under applicable Law, to reimburse the relevant L/C Issuer. To the extent the amount of any Cash Collateral exceeds the then Outstanding Amount of such L/C Obligations and so long as no Event of Default has occurred and is continuing, the excess shall be refunded to the Borrowers. To the extent any Event of Default giving rise to the requirement to Cash Collateralize any Letter of Credit pursuant to this Section 2.03(g) is cured or otherwise waived by the Required Lenders, then so long as no other Event of Default has occurred and is continuing, all Cash Collateral pledged to Cash Collateralize such Letter of Credit shall be promptly refunded to the applicable. If at any time the Administrative Agent reasonably determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent as herein provided or Liens described above, or that the total amount of such Cash Collateral is less than the applicable Fronting Exposure and other obligations secured thereby, the Borrowers or the relevant Defaulting Lender will, promptly following written demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency.

(h) *Letter of Credit Fees* . The Borrowers shall pay to the Administrative Agent for the account of each Revolving Credit Lender for the applicable Revolving Credit Facility in accordance with its Pro Rata Share or other applicable share provided for under this Agreement a Letter of Credit fee for each Letter of Credit issued pursuant to this Agreement equal to the Applicable Margin times the daily maximum amount then available to be drawn under such Letter of Credit (whether or not such maximum amount is then in effect under such Letter of Credit if such maximum amount increases periodically pursuant to the terms of such Letter of Credit) *; provided* that (x) if any portion of a Defaulting Lender's Pro Rata Share of any Letter of Credit is Cash Collateralized by the Borrowers or reallocated to the other Revolving Credit Lenders pursuant to Section 2.17(a)(iv) , then the Borrowers shall not be required to pay a Letter of Credit fee to such Defaulting Lender with respect to such portion of such Defaulting Lender's Pro Rata Share so long as it is Cash Collateralized by the Borrowers or reallocated to the other Revolving Credit Lenders, but such Letter of Credit fee shall instead be payable to such other Revolving Credit Lenders in accordance with their Pro Rata Share of such reallocated amount, and (y) if any portion of a Defaulting Lender's Pro Rata Share is not Cash Collateralized or reallocated pursuant to Section 2.17(a)(iv) , then the Letter of Credit fee with respect to such Defaulting Lender's Pro Rata Share shall be payable to the applicable L/C Issuer until such Pro Rata Share is Cash Collateralized or reallocated or such

Lender ceases to be a Defaulting Lender. Such Letter of Credit fees shall be computed on a quarterly basis in arrears. Such Letter of Credit fees shall be due and payable in Dollars on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the earlier to occur of the Letter of Credit Expiration Date and the Maturity Date then in effect for the applicable Revolving Credit Facility or the date on which the Revolving Credit Commitment of all Lenders shall be terminated as provided herein. If there is any change in the Applicable Margin during any quarter, the daily maximum amount of each Letter of Credit shall be computed and multiplied by the Applicable Margin separately for each period during such quarter that such Applicable Margin was in effect.

(i) *Fronting Fee and Documentary and Processing Charges Payable to L/C Issuers* . The Borrowers shall be jointly and severally liable pay directly to each L/C Issuer for its own account a fronting fee with respect to each Letter of Credit issued by it to any Consolidated Party equal to 0.125% *per annum* of the maximum amount available to be drawn under such Letter of Credit (whether or not such maximum amount is then in effect under such Letter of Credit if such maximum amount increases periodically pursuant to the terms of such Letter of Credit) or such lesser fee as may be agreed with such L/C Issuer (the " **L/C Fronting Fee** "). Such fronting fees shall be computed on a quarterly basis in arrears. Such fronting fees shall be due and payable in Dollars on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the earlier to occur of the Letter of Credit Expiration Date and the date on which the Revolving Credit Commitment of all Lenders shall be terminated as provided herein. In addition, the Borrowers shall pay directly to each L/C Issuer for its own account with respect to each Letter of Credit issued to the Loan Parties the customary and reasonable issuance, presentation, amendment and other processing fees, and other standard costs and charges, of such L/C Issuer relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable within 10 Business Days of demand and are nonrefundable.

(j) *Conflict with Letter of Credit Application* . Notwithstanding anything else to the contrary in this Agreement or any Letter of Credit Application, in the event of any conflict between the terms hereof and the terms of any Letter of Credit Application, the terms hereof shall control.

(k) *Addition of an L/C Issuer* . A Revolving Credit Lender reasonably acceptable to the Borrowers may become an additional L/C Issuer hereunder pursuant to a written agreement among the Borrowers, the Administrative Agent and such Revolving Credit Lender. The Administrative Agent shall notify the Revolving Credit Lenders of any such additional L/C Issuer.

(l) *Reporting* . Each L/C Issuer will report in writing to the Administrative Agent (i) on the first Business Day of each calendar month, the aggregate face amount of Letters of Credit issued by it and outstanding as of the last Business Day of the preceding calendar month (and on such other dates as the Administrative Agent may request), (ii) on or prior to each Business Day on which such L/C Issuer expects to issue, amend, renew or extend any Letter of Credit, the date of such issuance or amendment, and the aggregate face amount of Letters of Credit to be issued, amended, renewed or extended by it and outstanding after giving effect to such issuance, amendment, renewal or extension (and such L/C Issuer shall advise the Administrative Agent on such Business Day whether such issuance, amendment, renewal or extension occurred and whether the amount thereof changed), (iii) on each Business Day on which such L/C Issuer makes any L/C Disbursement, the date and amount of such L/C Disbursement and (iv) on any Business Day on which the Borrowers fail to reimburse an L/C Disbursement required to be reimbursed to such L/C Issuer on such day, the date and amount of such failure.

(m) *Provisions Related to Extended Revolving Credit Commitments* . If the Letter of Credit Expiration Date in respect of any tranche of Revolving Credit Commitments occurs prior to the expiry date of any Letter of Credit, then (i) if one or more other tranches of Revolving Credit Commitments in respect of which the Letter of Credit Expiration Date shall not have so occurred are then in effect, such Letters of Credit shall, to the extent such Letters of Credit could have been issued under such other tranches, automatically be deemed to have been issued (including for purposes of the obligations of the Revolving Credit Lenders to purchase participations therein and to make Revolving Credit Loans and payments in respect thereof pursuant to Sections 2.03(c) and (d)) under (and ratably participated in by Lenders pursuant to) the Revolving Credit Commitments in respect of such non-terminating tranches up to an aggregate amount not to exceed the aggregate principal amount of the unutilized Revolving Credit Commitments thereunder at such time (it being understood that no partial face amount of any Letter of Credit may be so reallocated) and (ii) to the extent not reallocated pursuant to the immediately preceding clause (i) , the Borrowers shall Cash Collateralize any such Letter of Credit in accordance with Section 2.03(g) . Commencing with the maturity date of any tranche of Revolving Credit Commitments, the sublimit for Letters of Credit shall be agreed solely with each L/C Issuer.

(n) *Letters of Credit Issued for Subsidiaries* . Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Restricted Subsidiary, the Borrowers shall be jointly and severally obligated to reimburse the applicable L/C Issuer hereunder for any and all drawings under such Letter of Credit. Each Borrower hereby acknowledges that the issuance of Letters of Credit for the account of Restricted Subsidiaries (whether or not a direct or indirect Subsidairy of such Borrower) inures to the benefit of such Borrower, and that such Borrower's business derives substantial benefits from the businesses of such Restricted Subsidiaries.

Section 2.04. Swing Line Loans .

(a) *Swing Line Facility* . Subject to the terms and conditions set forth herein, the Swing Line Lender, in reliance upon the agreements of the other Lenders set forth in this Section 2.04 , may, in its sole discretion, make loans (each such loan, a " **Swing Line Loan**

") to any Borrower in Dollars from time to time on any Business Day during the Availability Period in an aggregate amount not to exceed at any time outstanding the amount of the Swing Line Sublimit; *provided* , *however* , that after giving effect to any Swing Line Loan, (i) the amount outstanding of all Revolving Credit Loans, Swing Line Loans and L/C Obligations shall not exceed the aggregate Revolving Credit Commitments, and (ii) the Revolving Credit Exposure of any Lender shall not exceed such Lender's Revolving Credit Commitment. Within the foregoing limits, and subject to the other terms and conditions hereof, each Borrower may borrow under this Section 2.04 , prepay under Section 2.05 , and reborrow under this Section 2.04 . Each Swing Line Loan shall be an ABR Loan. Immediately upon the making of a Swing Line Loan, each Revolving Credit Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swing Line Lender a risk participation in such Swing Line Loan in an amount equal to the product of such Lender's Pro Rata Share of the Revolving Credit Commitments times the amount of such Swing Line Loan.

(b) *Borrowing Procedures* . Each Borrowing of Swing Line Loans shall be made upon the applicable Borrower's irrevocable notice to the Swing Line Lender and the Administrative Agent, which may be given by (A) telephone or (B) a Committed Loan Notice; *provided* that any telephonic notice must be confirmed immediately by delivery to the Swing Line Lender and the Administrative Agent of a Swing Line Loan Notice. Each such notice must be received by the Swing Line Lender and the Administrative Agent not later than 1:00 p.m. on the requested borrowing date, and shall specify (i) the amount to be borrowed, which shall be a minimum principal amount of $500,000 (and any amount in excess of $500,000 shall be in integral multiples of $100,000), and (ii) the requested borrowing date, which shall be a Business Day. Each such telephonic notice must be confirmed promptly by delivery to the Swing Line Lender and the Administrative Agent of a written Swing Line Loan Notice, appropriately completed and signed by a Responsible Officer of the applicable Borrower. Promptly after receipt by the Swing Line Lender of any telephonic Swing Line Loan Notice, the Swing Line Lender will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has also received such Swing Line Loan Notice and, if not, the Swing Line Lender will notify the Administrative Agent (by telephone or in writing) of the contents thereof. Unless the Swing Line Lender has received notice (by telephone or in writing) from the Administrative Agent (including at the request of any Lender) prior to 2:00 p.m. on the date of the proposed Borrowing of Swing Line Loans (A) directing the Swing Line Lender not to make such Swing Line Loan as a result of the limitations set forth in the proviso to the first sentence of Section 2.04(a) , or (B) that one or more of the applicable conditions specified in Article IV is not then satisfied, then, subject to the terms and conditions hereof, the Swing Line Lender will, not later than 5:00 p.m. on the borrowing date specified in such Swing Line Loan Notice, make the amount of its Swing Line Loan available to the applicable Borrower.

(c) *Refinancing of Swing Line Loans* .

(ii) The Swing Line Lender at any time in its sole discretion may request, on behalf of any Borrower (which hereby irrevocably requests and authorizes the Swing Line Lender to so request on its behalf), that each Lender make an ABR Loan in an amount equal to such Lender's Pro Rata Share of the amount of Swing Line Loans then outstanding. Such request shall be made in writing (which written request shall be deemed to be a Committed Loan Notice for purposes hereof) and in accordance with the requirements of Section 2.02 , without regard to the minimum and multiples specified therein for the principal amount of ABR Loans, but subject to the conditions set forth in Section 4.02 (other than the delivery of a Committed Loan Notice); *provided* that, after giving effect to such Borrowing, the amount outstanding of all Revolving Credit Loans, Swing Line Loans and L/C Obligations shall not exceed the aggregate Revolving Credit Commitments. The Swing Line Lender shall furnish the applicable Borrower with a copy of the applicable Committed Loan Notice promptly after delivering such notice to the Administrative Agent. Each Lender shall make an amount equal to its applicable percentage of the amount specified in such Committed Loan Notice available to the Administrative Agent in immediately available funds for the account of the Swing Line Lender not later than 1:00 p.m. on the day specified in such Committed Loan Notice, whereupon, subject to Section 2.04(c)(ii) , each Lender that so makes funds available shall be deemed to have made an ABR Loan to the applicable Borrower in such amount. The Administrative Agent shall remit the funds so received to the Swing Line Lender.

(iii) [reserved].

(iv) If any Lender fails to make available to the Administrative Agent for the account of the Swing Line Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.04(c) by the time specified in Section 2.04(c)(i) , the Swing Line Lender shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swing Line Lender at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the Swing Line Lender in accordance with banking industry rules on interbank compensation. A certificate of the Swing Line Lender submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(v) Each Lender's obligation to make Revolving Credit Loans or to purchase and fund risk participations in Swing Line Loans pursuant to this Section 2.04(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right that such Lender may have against the Swing Line Lender, any Borrower or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Lender's obligation to make Revolving Credit Loans pursuant to this Section 2.04(c) is subject to the conditions set forth in Section 4.02 . No such purchase

or funding of risk participations shall relieve or otherwise impair the obligation of any Borrower to repay Swing Line Loans, together with interest as provided herein.

(d) *Repayment of Participations* .

(vii) At any time after any Lender has purchased and funded a risk participation in a Swing Line Loan, if the Swing Line Lender receives any payment on account of such Swing Line Loan, the Swing Line Lender will distribute to such Lender its Pro Rata Share of such payment (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's risk participation was funded) in the same funds as those received by the Swing Line Lender.

(viii) If any payment received by the Swing Line Lender in respect of principal or interest on any Swing Line Loan is required to be returned by the Swing Line Lender under any of the circumstances described in Section 10.06 (including pursuant to any settlement entered into by the Swing Line Lender in its discretion), each Lender shall pay to the Swing Line Lender its Pro Rata Share thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the Federal Funds Rate. The Administrative Agent will make such demand upon the request of the Swing Line Lender. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) *Interest for Account of Swing Line Lender* . The Swing Line Lender shall be responsible for invoicing the applicable Borrower for interest on the Swing Line Loans. Until each Revolving Credit Lender funds its Revolving Credit Loans that are ABR Loans or risk participation pursuant to this Section 2.04 to refinance such Revolving Credit Lender's Pro Rata Share of any Swing Line Loan, interest in respect of such Pro Rata Share shall be solely for the account of the Swing Line Lender.

(f) *Payments Directly to Swing Line Lender* . The Borrowers shall make all payments of principal and interest in respect of the Swing Line Loans directly to the Swing Line Lender.

(g) *Participations.* The Swing Line Lender (i) may at any time in its discretion, and (ii) no less frequently than every five Business Days or as directed by the Administrative Agent from time to time on not less than one Business Day's written notice to the Swing Line Lender, shall by written notice given to the Administrative Agent (provided such notice requirements shall not apply if the Swing Line Lender and the Administrative Agent are the same entity) not later than 11:00 a.m., New York City time, on the next succeeding Business Day following such notice require the Revolving Credit Lenders to acquire participations on such Business Day in all or a portion of the Swing Line Loans then outstanding. Such notice shall specify the aggregate amount of Swing Line Loans in which Revolving Credit Lenders will participate. Promptly upon receipt of such notice, the Administrative Agent will give notice thereof to each Revolving Credit Lender, specifying in such notice such Revolving Credit Lender's Pro Rata Percentage of such Swing Line Loan or Loans. Each Revolving Credit Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to the Administrative Agent, for the account of the Swing Line Lender, such Lender's Pro Rata Percentage of such Swing Line Loan or Loans. Each Revolving Credit Lender acknowledges and agrees that its obligation to acquire participations in Swing Line Loans pursuant to this Section 2.04(g) is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever (so long as such payment shall not cause such Lender's Revolving Credit Exposure to exceed such Lender's Revolving Credit Commitment). Each Revolving Credit Lender shall comply with its obligation under this Section 2.04(g) by wire transfer of immediately available funds, in the same manner as provided in Section 2.02(b) with respect to Loans made by such Lender (and Section 2.02 shall apply, *mutatis mutandis* , to the payment obligations of the Revolving Credit Lenders), and the Administrative Agent shall promptly pay to the Swing Line Lender the amounts so received by it from the Revolving Credit Lenders. The Administrative Agent shall notify the Borrowers of any participations in any Swing Line Loan acquired by the Revolving Credit Lenders pursuant to this Section 2.04(g) , and thereafter payments in respect of such Swing Line Loan shall be made to the Administrative Agent and not to the Swing Line Lender. Any amounts received by the Swing Line Lender from the Borrowers (or other party on behalf of the Borrowers) in respect of a Swing Line Loan after receipt by the Swing Line Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Administrative Agent. Any such amounts received by the Administrative Agent shall be promptly remitted by the Administrative Agent to the Revolving Credit Lenders that shall have made their payments pursuant to this Section 2.04(g) , as their interests may appear. The purchase of participations in a Swing Line Loan pursuant to this Section 2.04(g) shall not relieve the Borrowers of any default in the payment thereof.

(h) *Resignation or Removal of the Swing Line Lender.* The Swing Line Lender may resign as the Swing Line Lender hereunder at any time upon at least 30 days' prior written notice to the Lenders, the Administrative Agent and the Borrower Representative. Following such notice of resignation, the Swing Line Lender may be replaced at any time by written agreement among the Borrowers (with Borrowers' agreement not to be unreasonably withheld, delayed or conditioned), the Administrative Agent and the successor Swing Line Lender. The Administrative Agent shall notify the Lenders of any such replacement of the Swing Line Lender. At the time any such resignation or replacement shall become effective, the Borrowers shall pay all unpaid fees accrued for the account of the replaced Swing Line Lender. From and after the effective date of any such resignation or replacement, (i) the successor Swing Line Lender shall have all the rights and obligations of the Swing Line Lender under this Agreement with respect to Swing Line Loans to be made by it thereafter and (ii) references herein and in the other Loan Documents to the term "Swing Line Lender" shall be deemed to refer to such successor or to any previous Swing Line Lender, or to such successor and all previous Swing Line Lenders, as the context shall require. After the resignation or

replacement of the Swing Line Lender hereunder, the replaced Swing Line Lender shall remain a party hereto and shall continue to have all the rights and obligations of the Swing Line Lender under this Agreement with respect to Swing Line Loans made by it prior to such resignation or replacement, but shall not be required to make additional Swing Line Loans. Notwithstanding anything to the contrary in this Section 2.04(h) or otherwise, the Swing Line Lender may not resign until such time as a successor Swing Line Lender has been appointed.

Section 2.05. Prepayments .

(a) *Optional* . %4. The Borrowers may, upon notice to the Administrative Agent, at any time or from time to time voluntarily prepay any Class or Classes of Term Loans, Revolving Credit Loans and Swing Line Loans of any Class or Classes in whole or in part without premium or penalty (except as expressly set forth in this Section 2.05); *provided* that (1) such notice must be received by the Administrative Agent not later than 1:00 p.m. (or 2:00 p.m. with respect to Swing Line Loans) (A) three Business Days prior to any date of prepayment of Eurodollar Rate Loans and (B) on the Business Day prior to any prepayment of ABR Loans or Swing Line Loans; (2) any prepayment of Eurodollar Rate Loans shall be in a minimum principal amount of $2,000,000, or a whole multiple of $1,000,000 in excess thereof; and (3) any prepayment of ABR Loans shall be in a minimum principal amount of $1,000,000 or a whole multiple of $500,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment and the Class(es) and Type(s) of Loans to be prepaid. The Administrative Agent will promptly notify each Appropriate Lender of its receipt of each such notice, and of the amount of such Lender's Pro Rata Share or other applicable share provided for under this Agreement of such prepayment. If such notice is given by the applicable Borrower, unless rescinded pursuant to clause (iii) below, such Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a Loan (other than prepayments of ABR Revolving Credit Loans that are not made in connection with the termination or permanent reduction of the Revolving Credit Commitments) shall be accompanied by all accrued interest thereon, together with any additional amounts required pursuant to clause (ii) below and Section 3.05 . In the case of each prepayment of the Loans pursuant to this Section 2.05(a) , each Borrower may in its sole discretion select the Borrowing or Borrowings to be repaid, and such payment shall be paid to the Appropriate Lenders in accordance with their respective Pro Rata Shares or other applicable share provided for under this Agreement.

(vi) Notwithstanding anything to the contrary contained in this Agreement, in the event that, on or prior to the date that is twelve months after the Closing Date, any Loan Party (x) prepays, refinances, substitutes or replaces any Initial Term Loans in connection with a Repricing Event or (y) effects any amendment of this Agreement resulting in a Repricing Event, the Borrowers shall pay to the Administrative Agent (A) in the case of clause (x) , for the ratable account of each of the applicable Lenders a prepayment premium of 1.00% of the aggregate principal amount of the Initial Term Loans so prepaid, refinanced, substituted or replaced and (B) in the case of clause (y) , for the ratable account of each of the Lenders (including any Lender that withholds its consent to such amendment and that is required to assign its Initial Term Loan pursuant to Section 3.07), a fee equal to 1.00% of the aggregate principal amount of the applicable Initial Term Loans of such Lender outstanding immediately prior to such amendment. Such amounts shall be due and payable on the date of effectiveness of such Repricing Event or amendment and shall be a condition precedent to the effectiveness of any such amendment.

(vii) Notwithstanding anything to the contrary contained in this Agreement, the Borrowers may rescind any notice of prepayment under Section 2.05(a)(i) by notice to the Administrative Agent on the date of prepayment if such prepayment would have resulted from a refinancing of all or any portion of the applicable Class or occurrence of another event, which refinancing or event shall not be consummated or shall otherwise be delayed (subject to payment of amounts due under Section 3.05).

(viii) Voluntary prepayments of any Class of Term Loans permitted hereunder shall be applied to the remaining scheduled installments of principal thereof pursuant to Section 2.07(a) in a manner determined at the discretion of the Borrowers and specified in the notice of prepayment (and absent such direction, in direct order of maturity).

(b) *Mandatory* . %4. Within five Business Days after financial statements have been delivered pursuant to Section 6.01(a) (commencing in respect of the fiscal year ending December 31, 2016) and the related Compliance Certificate has been delivered pursuant to Section 6.02(a) , the Borrowers shall cause to be prepaid an aggregate principal amount of Term Loans in an amount equal to (A) the Applicable ECF Percentage of Excess Cash Flow, if any, for the fiscal year covered by such financial statements *minus* , (B) at the option of the Borrowers (without duplication of any amount deducted from Consolidated Net Income in calculating Excess Cash Flow for such period) (x) the sum of (1) all voluntary prepayments of Term Loans during such fiscal year or after year-end and prior to when such Excess Cash Flow prepayment is due, and (2) all voluntary prepayments of Revolving Credit Loans, Extended Revolving Credit Loans, Refinancing Revolving Credit Loans and Incremental Revolving Loans during such fiscal year or after year-end and prior to when such Excess Cash Flow prepayment is due, to the extent the Revolving Credit Commitments, Extended Revolving Credit Commitments, Refinancing Revolving Credit Commitments and/or Revolving Commitment Increase, as the case may be, are permanently reduced by the amount of such payments, in the case of each of the immediately preceding clauses (1) and (2) , to the extent such prepayments are funded with Internally Generated Cash and are in respect of Indebtedness that is secured on a *pari passu* basis with the Facilities; *provided* that, to the extent any deduction is made pursuant to the foregoing clauses (1) and (2) after year-end and prior to when such Excess Cash Flow prepayment is due, such prepayment shall not be deducted with respect to the Excess Cash Flow prepayment for the succeeding fiscal year and (y) incremental reserves of the BD Subsidiary in an aggregate amount for any Excess Cash Flow Period equal to the lesser of (1) the amount that is necessary to meet the capital reserve requirements of the BD Subsidiary for such period and (2) $5,000,000.

(vi) If (1) any Consolidated Party Disposes of any property or assets pursuant to Sections 7.05(i) . (l) or (m) , or (2) any Casualty Event occurs, which results in the realization or receipt by a Consolidated Party of Net Proceeds, the Borrowers shall cause to be prepaid on or prior to the date which is five Business Days after the date of the realization or receipt by a Borrower or any Restricted Subsidiary of such Net Proceeds (or such later time that Borrower is entitled to reinvest Net Proceeds as provided in the definition of "Net Proceeds"), an aggregate principal amount of Term Loans in an amount equal to 100% of all such Net Proceeds; *provided* that if at the time that any such prepayment would be required, the Borrowers are required to offer to repurchase Permitted Equal Priority Refinancing Debt (to the extent secured by Liens on the Collateral on a *pari passu* basis with the Obligations) and the Permitted Refinancing of any such Indebtedness, in each case pursuant to the terms of the documentation governing such Indebtedness with the net proceeds of such Disposition or Casualty Event (such Permitted Equal Priority Refinancing Debt (or the Permitted Refinancing of any such Indebtedness) required to be offered to be so repurchased, " **Other Applicable Indebtedness** "), then the Borrowers may apply such Net Proceeds on a *pro rata* basis (determined on the basis of the aggregate outstanding principal amount of the Term Loans and Other Applicable Indebtedness at such time; *provided* that the portion of such net proceeds allocated to the Other Applicable Indebtedness shall not exceed the amount of such net proceeds required to be allocated to the Other Applicable Indebtedness pursuant to the terms thereof, and the remaining amount, if any, of such net proceeds shall be allocated to the Term Loans in accordance with the terms hereof) to the prepayment of the Term Loans and to the repurchase or prepayment of Other Applicable Indebtedness, and the amount of prepayment of the Term Loans that would have otherwise been required pursuant to this Section 2.05(b)(ii) shall be reduced accordingly; *provided* , *further* , that to the extent the holders of Other Applicable Indebtedness decline to have such indebtedness repurchased or prepaid, the declined amount shall promptly (and in any event within five Business Days after the date of such rejection) be applied to prepay the Term Loans in accordance with the terms hereof.

(vii) If any Consolidated Party incurs or issues any Indebtedness after the Closing Date (A) not permitted to be incurred or issued pursuant to Section 7.03 or (B) that is intended to constitute Credit Agreement Refinancing Indebtedness in respect of any Class of Term Loans, the Borrowers shall cause to be prepaid an aggregate principal amount of Term Loans (or, in the case of Indebtedness constituting Credit Agreement Refinancing Indebtedness, the applicable Class of Term Loans) in an amount equal to 100% of all Net Proceeds received therefrom on or prior to the date which is three Business Days after the receipt by such Consolidated Party of such Net Proceeds. For the avoidance of doubt, in connection with any prepayment under Section 2.05(b)(iii)(B) which constitutes a Repricing Event that is consummated in respect of all or any portion of the Initial Term Loans prior to the date that is twelve months after the Closing Date, the Borrowers shall pay to the Term Lenders the fees specified in Section 2.05(a)(ii).

(viii) If for any reason the aggregate Outstanding Amount of Revolving Credit Loans, Swing Line Loans and L/C Obligations at any time exceeds the aggregate Revolving Credit Commitments then in effect, the Borrowers shall promptly prepay Revolving Credit Loans and/or Swing Line Loans and/or Cash Collateralize the L/C Obligations in an aggregate amount equal to such excess; *provided* that the Borrowers shall not be required to Cash Collateralize the L/C Obligations pursuant to this Section 2.05(b)(iv) unless after the prepayment in full of the Revolving Credit Loans and Swing Line Loans such aggregate Outstanding Amount exceeds the aggregate Revolving Credit Commitments then in effect.

(ix) Except as otherwise provided in any Refinancing Amendment, Extension Amendment or any Incremental Amendment or as otherwise provided herein, (A) each prepayment of Term Loans pursuant to this Section 2.05(b) shall be applied ratably to each Class of Term Loans then outstanding (*provided* that any prepayment of Term Loans with the Net Proceeds of Credit Agreement Refinancing Indebtedness shall be applied solely to each applicable Class of Refinanced Debt); (B) with respect to each Class of Term Loans, (x) each prepayment pursuant to clauses (ii) , (iii) and (viii) of this Section 2.05(b) shall be applied to the scheduled installments of principal thereof following the date of such prepayment in direct order of maturity (at the Borrowers' option, *pro rata* with any Incremental Term Loans) and (y) each prepayment pursuant to clauses (i) and (vii) of this Section 2.05(b) shall be applied to the scheduled installments of principal to the Initial Term Loans following the date of such prepayment ratably in accordance with the then outstanding amounts thereof until the Initial Term Loans are paid in full and then to any Incremental Term Loans ratably in accordance with the then outstanding amounts thereof; and (C) each such prepayment shall be paid to the Lenders in accordance with their respective Pro Rata Shares of such prepayment.

(x) The Borrower Representative shall notify the Administrative Agent in writing of any mandatory prepayment of Term Loans required to be made by the Borrowers pursuant to clauses (i) , (ii), (iii) , and (vii) of this Section 2.05(b) not later than 1:00 p.m. at least three Business Days prior to the date of such prepayment. Each such notice shall specify the date of such prepayment and provide a reasonably detailed calculation of the aggregate amount of such prepayment to be made by the Borrowers. The Administrative Agent will promptly notify each Appropriate Lender of the contents of the Borrowers' prepayment notice and of such Appropriate Lender's Pro Rata Share of the prepayment. Each Term Lender may reject all of its Pro Rata Share of any mandatory prepayment (such declined amounts, the " **Declined Proceeds** ") of Term Loans required to be made pursuant to clauses (i) , (ii), (iii)(A) and (vii) of this Section 2.05(b) by providing written notice (each, a " **Rejection Notice** ") to the Administrative Agent no later than 5:00 p.m. one Business Day after the date of such Lender's receipt of notice from the Administrative Agent regarding such prepayment; *provided* , *however* , in no event may the proceeds of any Credit Agreement Refinancing Indebtedness be rejected. If a Term Lender fails to deliver a Rejection Notice to the Administrative Agent within the time frame specified above such failure will be deemed an acceptance of the total amount of such mandatory prepayment of Term

Loans. Any Declined Proceeds shall be retained by the Borrowers.

(xi) If any Consolidated Party receives any cash contribution to the common capital of any such Consolidated Party pursuant to Section 4.01 of the Parent Guaranty, the Borrowers shall cause to be prepaid on or prior to the date which is five Business Days after the date of the realization or receipt by such Consolidated Party of such cash contribution, an aggregate principal amount of Term Loans in an amount equal to 100% of all such cash contributions.

(xii) If any Consolidated Party receives any Cure Amount pursuant to Section 8.04, the Borrowers shall cause to be prepaid on or prior to the date which is one Business Day after the date of the realization or receipt by such Consolidated Party of such Cure Amount, an aggregate principal amount of Term Loans in an amount equal to 100% of such Cure Amount.

(c) *Interest, Funding Losses, Etc* . All prepayments under this Section 2.05 shall be accompanied by all accrued interest thereon (other than prepayments of ABR Revolving Credit Loans that are not made in connection with the termination or permanent reduction of the Revolving Credit Commitments), together with, in the case of any such prepayment of a Eurodollar Rate Loan on a date prior to the last day of an Interest Period therefor, any amounts owing in respect of such Eurodollar Rate Loan pursuant to Section 3.05 .

Notwithstanding any of the other provisions of this Section 2.05 , so long as no Event of Default shall have occurred and be continuing, if any prepayment of Eurodollar Rate Loans is required to be made under this Section 2.05 , prior to the last day of the Interest Period therefor, in lieu of making any payment pursuant to this Section 2.05 in respect of any such Eurodollar Rate Loan prior to the last day of the Interest Period therefor, the applicable Borrower may, in its sole discretion, deposit an amount sufficient to make any such prepayment otherwise required to be made thereunder together with accrued interest to the last day of such Interest Period into a Cash Collateral Account until the last day of such Interest Period, at which time the Administrative Agent shall be authorized (without any further action by or notice to or from such Borrower or any other Loan Party) to apply such amount to the prepayment of such Loans in accordance with this Section 2.05 . Upon the occurrence and during the continuance of any Event of Default, the Administrative Agent shall also be authorized (without any further action by or notice to or from the applicable Borrower or any other Loan Party) to apply such amount to the prepayment of the outstanding Loans in accordance with the relevant provisions of this Section 2.05 . Such deposit shall be deemed to be a prepayment of such Loans by such Borrower for all purposes under this Agreement.

Section 2.06. Termination or Reduction of Commitments .

(a) *Optional* . The Borrowers may, upon written notice to the Administrative Agent, terminate the unused Commitments of any Class, or from time to time permanently reduce the unused Commitments of any Class, in each case without premium or penalty; *provided* that (i) any such notice shall be received by the Administrative Agent three Business Days prior to the date of termination or reduction, (ii) any such partial reduction shall be in an aggregate amount of $5,000,000, or any whole multiple of $1,000,000 in excess thereof or, if less, the entire amount thereof and (iii) if, after giving effect to any reduction of the Revolving Credit Commitments, the Letter of Credit Sublimit, or the Swing Line Sublimit exceeds the amount of the Revolving Credit Commitments, such sublimit shall be automatically reduced by the amount of such excess. Except as provided above, the amount of any such Commitment reduction shall not be applied to the Letter of Credit Sublimit, or the Swing Line Sublimit unless otherwise specified by the applicable Borrower. Notwithstanding the foregoing, the applicable Borrower may rescind or postpone any notice of termination of any Commitments if such termination would have resulted from a refinancing of all or any portion of the applicable Class or occurrence of other event, which refinancing or other event shall not be consummated or otherwise shall be delayed.

(b) *Mandatory* . The Initial Term Commitments of each Term Lender shall be automatically and permanently reduced to $0 upon the funding of the Initial Term Loans to be made by such Term Lender on the Closing Date. The Revolving Credit Commitments of each Revolving Credit Lender and Swing Line Lender shall automatically and permanently terminate on the Maturity Date.

(c) *Application of Commitment Reductions; Payment of Fees* . The Administrative Agent will promptly notify the Appropriate Lenders of any termination or reduction of unused portion of the Letter of Credit Sublimit, the Swing Line Sublimit, or the unused Commitments of any Class under this Section 2.06 . The amount of any such reduction of the Revolving Credit Commitments shall not be applied to the Letter of Credit Sublimit, or the Swing Line Sublimit unless otherwise specified by the Borrower Representative. Upon any reduction of unused Commitments of any Class, the Commitment of each Lender of such Class shall be reduced by such Lender's Pro Rata Share of the amount by which such Commitments are reduced. All commitment fees accrued until the effective date of any termination of the Aggregate Commitments of any Class shall be paid to the Appropriate Lenders on the effective date of such termination.

Section 2.07. Repayment of Loans .

(c) *Term Loans* . Commencing with the first full quarter ending after the Closing Date, the Borrowers shall repay to the Administrative Agent for the ratable account of the Appropriate Lenders on the last Business Day of each March, June, September and December, in an amount equal to the percentage set forth opposite the dates indicated below based on the Consolidated Total Net Leverage Ratio, which for this purpose shall be calculated without netting unrestricted cash from the numerator Consolidated Total Net Debt, multiplied by the aggregate principal amount of all Initial Term Loans outstanding on the Closing Date (which payments shall be reduced as a result of the application of prepayments made in accordance with the order of priority set forth in Section 2.05) with the

remaining principal amount of the Initial Term Loans then outstanding due and payable in full on the Maturity Date.

Principal Amortization Payment Dates	**Consolidated Total Net Leverage Ratio (without netting) is greater than or equal to 2.00 to 1.00**	**Consolidated Total Net Leverage Ratio (without netting) is less than 2.00 to 1.00**
March 31, 2016 through December 31, 2017	1.875%	0.625%
March 31, 2018 through December 31, 2019	1.25%	0.625%
Thereafter	0.625%	0.625%

(d) *Revolving Credit Loans* . The Borrowers shall repay to the Administrative Agent for the ratable account of the Appropriate Lenders on the Maturity Date for the applicable Revolving Credit Facility the aggregate principal amount of all Revolving Credit Loans under such Facility outstanding on such date.

(e) The Borrowers shall repay each Swing Line Loan on the earlier of (i) the date that is five Business Days after such Loan is made and (ii) the Maturity Date of the Revolving Credit Facility (although Swing Line Loans may thereafter be reborrowed, in accordance with the terms and conditions hereof, if there are one or more Classes of Revolving Credit Commitments which remain in effect).

Section 2.08. Interest .

(e) Subject to the provisions of Section 2.08(b) , (i) each Eurodollar Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate *per annum* equal to the Eurodollar Rate for such Interest Period *plus* the Applicable Margin and (ii) each ABR Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate *per annum* equal to the ABR *plus* the Applicable Margin.

(f) After the occurrence and during the continuance of an Event of Default under Sections 8.01(a) or 8.01(f) (or, with respect to the existence of any other Event of Default, at the election of the Required Lenders), the Borrowers shall pay interest on past due amounts owing by it hereunder at a fluctuating interest rate *per annum* at all times equal to the Default Rate to the fullest extent permitted by applicable Laws; *provided* that no interest at the Default Rate shall accrue or be payable to a Defaulting Lender so long as such Lender shall be a Defaulting Lender. Accrued and unpaid interest on such amounts (including interest on past due interest) shall be due and payable upon written demand.

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

Section 2.09. Fees . In addition to certain fees described in Sections 2.03(h) and (i) :

(a) *Commitment Fee* . The Borrowers agree to pay to the Administrative Agent for the account of each Revolving Credit Lender under each Revolving Credit Facility in accordance with its Pro Rata Share or other applicable share provided for under this Agreement, a commitment fee equal to the Applicable Margin with respect to commitment fees for such Facility *times* the actual daily amount by which the aggregate Revolving Credit Commitments for such Facility exceeds the sum of (A) the Outstanding Amount of Revolving Credit Loans for such Facility *plus* (B) the Outstanding Amount of L/C Obligations for such Facility; *provided* that any commitment fee accrued with respect to any of the Commitments of a Defaulting Lender during the period prior to the time such Lender became a Defaulting Lender and unpaid at such time shall not be payable by the Borrowers so long as such Lender shall be a Defaulting Lender except to the extent that such commitment fee shall otherwise have been due and payable by the Borrowers prior to such time; *provided* , *further* , that no commitment fee shall accrue on any of the Commitments of a Defaulting Lender so long as such Lender shall be a Defaulting Lender. For the avoidance of doubt, the Outstanding Amount of Swing Line Loans shall not be counted towards or considered usage of the aggregate Revolving Credit Commitments for purposes of determining the commitment fee. The commitment fee on each Revolving Credit Facility shall accrue at all times from the Closing Date until the Maturity Date for the Revolving Credit Facility, including at any time during which one or more of the conditions in Article IV is not met, and shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December, commencing with the first such date to occur during the first full fiscal quarter after the Closing Date, and on the Maturity Date for the Revolving Credit Facility. The commitment fee shall be calculated quarterly in arrears, and if there is any change in the Applicable Margin during any quarter, the actual daily amount shall be computed and multiplied by the Applicable Margin separately for each period during such quarter that such Applicable Margin was in effect.

(b) *Other Fees* . The Borrowers shall pay to the Agents such fees as shall have been separately agreed upon in writing (including pursuant to the Fee Letter) in the amounts and at the times so specified. Such fees shall be fully earned when paid and shall not be

refundable for any reason whatsoever (except as expressly agreed between the Borrowers and the applicable Agent).

(c) *Closing Fees* . The Borrowers agree to pay on the Closing Date to each Term Lender party to this Agreement on the Closing Date, as fee compensation for the funding of such Lender's Initial Term Loan on the Closing Date, a closing fee (the " **Term Loan Closing Fee** ") in an amount equal to 3.00% of the stated principal amount of such Lender's Term Loans made on the Closing Date. The Borrowers agree to pay on the Closing Date to each Revolving Credit Lender party to this Agreement on the Closing Date, as a fee for its Revolving Credit Commitment, a closing fee (the " **Revolving Credit Fee** " and, the Revolving Credit Fee together with the Term Loan Closing Fee, the " **Closing Fees** ") in an amount equal to 1.00% of the stated principal amount of such Revolving Credit Lender's Revolving Credit Commitment. The Closing Fees will be in all respects fully earned, due and payable on the Closing Date and non-refundable and non-creditable thereafter and, in the case of the Term Loan Closing Fee, shall be netted against Term Loans made by such Term Lender.

Section 2.10. Computation of Interest and Fees . All computations of interest for ABR Loans (including ABR Loans determined by reference to the Eurodollar Rate) shall be made on the basis of a year of 365 days, or 366 days, as applicable, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed. Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid; *provided* that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.12(a) , bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

Section 2.11. Evidence of Indebtedness .

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

(b) In addition to the accounts and records referred to in Section 2.11(a) , each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records and, in the case of the Administrative Agent, entries in the Register, evidencing the purchases and sales by such Lender of participations in Letters of Credit and Swing Line Loans. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

(c) Entries made in good faith by the Administrative Agent in the Register pursuant to Sections 2.11(a) and (b) , and by each Lender in its account or accounts pursuant to Section 2.11(a) and (b) , shall be prima facie evidence of the amount of principal and interest due and payable or to become due and payable from the Borrowers to, in the case of the Register, each Lender and, in the case of such account or accounts, such Lender, under this Agreement and the other Loan Documents, absent manifest error; *provided* that the failure of the Administrative Agent or such Lender to maintain such accounts or any error therein shall not in any manner affect the obligations of the Borrowers to repay the Loans in accordance with their terms.

Section 2.12. Payments Generally .

(a) All payments to be made by the Borrowers shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein and all payments by the Borrowers hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the applicable Administrative Agent's Office in Dollars and in Same Day Funds not later than 1:00 p.m. (or 3:00 p.m. with respect to Swing Line Loans) on the date specified herein. The Administrative Agent will promptly distribute to each Appropriate Lender its Pro Rata Share (or other applicable share provided for under this Agreement) of such payment in like funds as received by wire transfer to such Lender's applicable Lending Office. All payments received by the Administrative Agent after the time specified above shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue.

(b) Except as otherwise provided herein, if any payment to be made by the Borrowers shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be; *provided* that, if such extension would cause payment of interest on or principal of Eurodollar Rate Loans to be made in the next succeeding calendar month, such payment shall be made on the immediately preceding Business Day.

(c) Unless the Borrowers or any Lender have notified the Administrative Agent, prior to the date any payment is required to be made by it to the Administrative Agent hereunder, that the Borrowers or such Lender, as the case may be, will not make such payment, the Administrative Agent may assume that the Borrowers or such Lender, as the case may be, has timely made such payment and may (but shall not be so required to), in reliance thereon, make available a corresponding amount to the Person entitled thereto. If and to the extent that such payment was not in fact made to the Administrative Agent in Same Day Funds, then:

(i) if the Borrowers have failed to make such payment, each Lender shall forthwith on demand repay to the Administrative Agent the portion of such assumed payment that was made available to such Lender in Same Day Funds, together with interest thereon in respect of each day from and including the date such amount was made available by the Administrative Agent to such Lender to the date such amount is repaid to the Administrative Agent in Same Day Funds at the applicable Overnight Rate from time to time in effect; and

(ii) if any Lender failed to make such payment, such Lender shall forthwith on demand pay to the Administrative Agent the amount thereof in Same Day Funds, together with interest thereon for the period from the date such amount was made available by the Administrative Agent to the Borrowers to the date such amount is recovered by the Administrative Agent (the " **Compensation Period** ") at a rate *per annum* equal to the applicable Overnight Rate from time to time in effect. When such Lender makes payment to the Administrative Agent (together with all accrued interest thereon), then such payment amount (excluding the amount of any interest which may have accrued and been paid in respect of such late payment) shall constitute such Lender's Loan included in the applicable Borrowing. If such Lender does not pay such amount forthwith upon the Administrative Agent's demand therefor, the Administrative Agent may make a demand therefor upon the Borrowers, and the Borrowers shall pay such amount to the Administrative Agent, together with interest thereon for the Compensation Period at a rate *per annum* equal to the rate of interest applicable to the applicable Borrowing. Nothing herein shall be deemed to relieve any Lender from its obligation to fulfill its Commitment or to prejudice any rights which the Administrative Agent or the Borrowers may have against any Lender as a result of any default by such Lender hereunder.

A written notice (including documentation reasonably supporting such request) of the Administrative Agent to any Lender or the Borrowers with respect to any amount owing under this Section 2.12(c) shall be conclusive, absent manifest error.

(d) 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 Borrowers 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.

(e) The obligations of the Lenders hereunder to make Loans and to fund participations in Letters of Credit and Swing Line Loans are several and not joint. The failure of any Lender to make any Loan or to fund any such participation 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 or purchase its participation.

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

(g) Whenever any payment received by the Administrative Agent under this Agreement or any of the other Loan Documents is insufficient to pay in full all amounts due and payable to the Administrative Agent and the Lenders under or in respect of this Agreement and the other Loan Documents on any date, such payment shall be distributed by the Administrative Agent and applied by the Administrative Agent and the Lenders in the order of priority set forth in Section 8.03 . If the Administrative Agent receives funds for application to the Obligations of the Loan Parties under or in respect of the Loan Documents under circumstances for which the Loan Documents do not specify the manner in which such funds are to be applied, the Administrative Agent may (to the fullest extent permitted by mandatory provisions of applicable Law), but shall not be obligated to, elect to distribute such funds to each of the Lenders in accordance with such Lender's Pro Rata Share of the sum of (a) the Outstanding Amount of all Loans outstanding at such time and (b) the Outstanding Amount of all L/C Obligations outstanding at such time, in repayment or prepayment of such of the outstanding Loans or other Obligations then owing to such Lender.

(h) Amounts to be applied to the prepayment of Loans in connection with any mandatory prepayments by the Borrowers of the Term Loans pursuant to Section 2.05(b) shall be applied, as applicable, on a *pro rata* basis to the then outstanding Term Loans being prepaid irrespective of whether such outstanding Term Loans are ABR Loans or Eurodollar Rate Loans; *provided* that if no Lenders exercise the right to waive a given mandatory prepayment of the Term Loans pursuant to Section 2.05(b)(vi) , then, with respect to such mandatory prepayment, the amount of such mandatory prepayment shall be applied first to reduce outstanding ABR Loans. Any amounts remaining after each such application shall be applied to prepay Eurodollar Rate Loans in a manner that minimizes the amount of any payments required to be made by the Borrowers pursuant to Section 3.05 .

Section 2.13. Sharing of Payments . If, other than as provided elsewhere herein, any Lender shall obtain payment (whether

voluntary, involuntary, through the exercise of any right of setoff, or otherwise) in respect of any principal or interest on account of the Loans or the participations in L/C Obligations or in Swing Line Loans held by it (excluding any amounts applied by the Swing Line Lender to outstanding Swing Line Loans), in excess of its ratable share (or other share contemplated hereunder) thereof, such Lender shall immediately (a) notify the Administrative Agent of such fact, and (b) purchase from the other Lenders such participations in the Loans made by them and/or such sub-participations in the participations in L/C Obligations and Swing Line Loans held by them, as the case may be, as shall be necessary to cause such purchasing Lender to share the excess payment in respect of any principal or interest on such Loans or such participations, as the case may be, *pro rata* with each of them; *provided* that if all or any portion of such excess payment is thereafter recovered from the purchasing Lender under any of the circumstances described in Section 10.06 (including pursuant to any settlement entered into by the purchasing Lender in its discretion), such purchase shall to that extent be rescinded and each other Lender shall repay to the purchasing Lender the purchase price paid therefor, together with an amount equal to such paying Lender's ratable share (according to the proportion of (i) the amount of such paying Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered, without further interest thereon. For the avoidance of doubt, the provisions of this paragraph shall not be construed to apply to (A) any payment made by the Borrowers pursuant to and in accordance with the express terms of this Agreement as in effect from time to time (including the application of funds arising from the existence of a Defaulting Lender) or (B) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant permitted hereunder. The Borrowers agree that any Lender so purchasing a participation from another Lender may, to the fullest extent permitted by applicable Law, exercise all its rights of payment (including the right of setoff, but subject to Section 10.09) with respect to such participation as fully as if such Lender were the direct creditor of the Borrowers in the amount of such participation. The Administrative Agent will keep records (which shall be conclusive and binding in the absence of manifest error) of participations purchased under this Section 2.13 and will in each case notify the Lenders following any such purchases or repayments. Each Lender that purchases a participation pursuant to this Section 2.13 shall from and after such purchase have the right to give all notices, requests, demands, directions and other communications under this Agreement with respect to the portion of the Obligations purchased to the same extent as though the purchasing Lender were the original owner of the Obligations purchased.

Notwithstanding anything to the contrary contained in this Section 2.13 or elsewhere in this Agreement, the Borrowers may extend the final maturity of Term Loans and/or Revolving Credit Commitments in connection with an Extension that is permitted under Section 2.16 without being obligated to effect such extensions on a *pro rata* basis among the Lenders (it being understood that no such extension (i) shall constitute a payment or prepayment of any Term Loans or Revolving Credit Loans, as applicable, for purposes of this Section 2.13 or (ii) shall reduce the amount of any scheduled amortization payment due under Section 2.07(a) , except that the amount of any scheduled amortization payment due to a Lender of Extended Term Loans may be reduced to the extent provided pursuant to the express terms of the respective Extension Amendment) without giving rise to any violation of this Section 2.13 or any other provision of this Agreement. Furthermore, the Borrowers may take all actions contemplated by Section 2.16 in connection with any Extension (including modifying pricing, amortization and repayments or prepayments), and in each case such actions shall be permitted, and the differing payments contemplated therein shall be permitted without giving rise to any violation of this Section 2.13 or any other provision of this Agreement.

Section 2.14. Incremental Credit Extensions .

(a) *Incremental Commitments* . The Borrowers may at any time or from time to time after the Closing Date, by notice to the Administrative Agent (an " **Incremental Request** "), request (i) one or more new commitments which shall be in the same Facility as any outstanding Term Loans (a " **Term Loan Increase** ") or a new Class of term loans (collectively with any Term Loan Increase, the " **Incremental Term Commitments** ") under this Agreement and/or (ii) (A) one or more increases in the amount of the Revolving Credit Commitments (a " **Revolving Commitment Increase** ") and/or (B) the establishment of one or more new Revolving Credit Commitments (any such new commitment, a " **New Revolving Credit Commitment** " and, together with Revolving Commitment Increases, the " **Incremental Revolving Loan Commitments** " and, collectively with any Incremental Term Commitments, the " **Incremental Commitments** "), whereupon the Administrative Agent shall promptly deliver a copy to each of the Lenders.

(b) *Incremental Loans* . Any Incremental Term Loans (other than Term Loan Increases) effected through the establishment of one or more new Term Loans made on an Incremental Facility Closing Date shall be designated a separate Class of Incremental Term Loans for all purposes of this Agreement. On any Incremental Facility Closing Date on which any Incremental Term Commitments of any Class are effected (including through any Term Loan Increase), subject to the satisfaction (or waiver) of the terms and conditions in this Section 2.14 , (i) each Incremental Term Lender of such Class shall make a Loan to the applicable Borrower (an " **Incremental Term Loan** ") in an amount equal to its Incremental Term Commitment of such Class and (ii) each Incremental Term Lender of such Class shall become a Lender hereunder with respect to the Incremental Term Commitment of such Class and the Incremental Term Loans of such Class made pursuant thereto. On any Incremental Facility Closing Date on which any Incremental Revolving Loan Commitment are effected, subject to the satisfaction of the terms and conditions in this Section 2.14 , (i) each Incremental Revolving Credit Lender shall make its Commitment available to the Borrowers (when borrowed, an " **Incremental Revolving Loan** " and collectively with any Incremental Term Loan, an " **Incremental Loan** ") in an amount equal to its Revolving Commitment Increase or New Revolving Credit Commitment, as applicable, and (ii) each Incremental Revolving Credit Lender shall become a Lender hereunder with respect to the Revolving Commitment Increase or the New Revolving Credit Commitment, as applicable, and the Incremental Revolving Loans made pursuant thereto. Notwithstanding the foregoing, Incremental Term Loans may have identical terms to any of the Term Loans and be treated as the same Class as any of such Term Loans.

(c) *Incremental Request* . Each Incremental Request from a Borrower pursuant to this Section 2.14 shall set forth the requested amount and proposed terms of the relevant Incremental Term Loans or Incremental Revolving Loan Commitments. Incremental Term Loans may be made, and Incremental Revolving Loan Commitments may be provided, by any existing Lender (but each existing Lender will not have an obligation to make any Incremental Commitment, nor will the applicable Borrower have any obligation to approach any existing Lenders to request any Incremental Commitment) or by any other Person that is not (w) a Disqualified Lender, (x) any Person that is a Defaulting Lender, (y) a natural Person or (z) Parent, the Holding Companies, the Borrowers or any of their respective Subsidiaries (any such Person being called an " **Additional Lender** ") (each such existing Lender or Additional Lender providing such, an " **Incremental Revolving Credit Lender** " or " **Incremental Term Lender** ," as applicable, and, collectively, the " **Incremental Lenders** "); *provided* that the Administrative Agent, each L/C Issuer and the Swing Line Lender shall have consented (not to be unreasonably withheld, conditioned or delayed) to such Lender's or Additional Lender's making such Incremental Term Loans or providing such Incremental Revolving Loan Commitments to the extent such consent, if any, would be required under Section 10.07(b) for an assignment of Loans or Revolving Credit Commitments, as applicable, to such Lender or Additional Lender.

(d) *Effectiveness of Incremental Amendment* . The effectiveness of any Incremental Amendment, and the Incremental Commitments thereunder, shall be subject to the satisfaction on the date of such Incremental Amendment (the " **Incremental Facility Closing Date** ") of each of the following conditions:

(i) no Default or Event of Default shall exist after giving effect to such Incremental Commitments, and the representations and warranties in Article V of this Agreement shall be true and correct in all material respects (or, in the case of any representation and warranty that is qualified as to "materiality," "Material Adverse Effect" or similar language, in all respects) on and as of the date of the incurrence of such Incremental Commitments (although any representations or warranties which expressly relate to a given date or period shall be required only to be true and correct in all material respects (or in all respects, as applicable) as of the respective date or for the respective period, as the case may be); *provided* that in the case of Incremental Commitments incurred to finance a Permitted Acquisition or Investments permitted under Section 7.02(o) or (s) (each, a " **Limited Condition Transaction** "), (x) such requirement shall be subject to customary "SunGard" conditionality (including waiver or non-requirement of (1) the representations and warranties hereunder and (2) the absence of a Default or Event of Default (other than with respect to a Default or Event of Default under Section 8.01(a) or (f)) and (y) the Consolidated Secured Net Leverage Ratio set forth in clause (iii)(C) below may, at the Borrowers' election, be tested at the time such Limited Condition Transaction is committed and will not be tested upon consummation thereof, in each case if otherwise agreed by the Incremental Lenders providing such Incremental Commitments;

(ii) each Incremental Term Commitment shall be in an aggregate principal amount that is not less than $10,000,000 and shall be in an increment of $1,000,000 and each Incremental Revolving Loan Commitment shall be in an aggregate principal amount that is not less than $5,000,000 and shall be in an increment of $1,000,000;

(iii) the aggregate amount of the Incremental Term Loans and Incremental Revolving Loan Commitments shall not exceed (A) an amount equal to $50,000,000 (net of Indebtedness incurred pursuant to Section 7.03(r)(i)(A) or (ii)(A)) *plus* (B) up to an additional amount of Incremental Term Loans and/or Incremental Revolving Loan Commitments so long as on and as of the date of the incurrence of such Incremental Term Loans or Incremental Commitments, the Consolidated Secured Net Leverage Ratio (determined on a Pro Forma Basis, including the pro forma effect of any Specified Transaction to be financed (in whole or in part) with the proceeds of the Incremental Loan, and assuming all previously established and simultaneously established Incremental Revolving Loan Commitments are fully drawn and excluding the cash proceeds of (x) any borrowing under any such Incremental Revolving Loan Commitments, (y) any Incremental Term Loans and (z) any other Indebtedness that is incurred substantially concurrently therewith) is no more than 3.75 to 1.00; and

(iv) the Loan Parties shall demonstrate compliance with the financial covenant set forth in Section 7.11 (determined on a Pro Forma Basis and assuming all previously established and simultaneously established Incremental Revolving Loan Commitments are fully drawn and excluding the cash proceeds of (x) any borrowing under any such Incremental Revolving Loan Commitments, (y) any Incremental Term Loans and (z) any other Indebtedness that is incurred substantially concurrently therewith) as of the most recent fiscal quarter end for which financial statements have been delivered or were required to be delivered pursuant to Section 4.01 or 6.01 .

(v) for purposes of the calculations in clauses (iii) and (iv) above, (A) with respect to any Incremental Commitments, assuming a borrowing of the maximum amount of Loans available thereunder, (B) to the extent the proceeds thereof are used to repay Indebtedness, *pro forma* effect shall be given to such repayment of Indebtedness and (C) Indebtedness incurred under clause (iii)(A) above shall be available at all times and not subject to any ratio test, whether incurred simultaneously with amounts under clause (iii)(C) or otherwise.

(e) *Required Terms* . The terms, provisions and documentation of the Incremental Term Loans and Incremental Term Commitments or the Incremental Revolving Loans and Incremental Revolving Loan Commitments, as the case may be, of any Class, except as otherwise set forth herein, shall be as agreed between the applicable Borrower and the applicable Incremental Lenders; *provided* that in no event will any Incremental Term Loans be permitted to be voluntarily or mandatorily prepaid prior to the repayment in full of the Term Loans, unless accompanied by at least a ratable payment of the Term Loans (*provided* that any Refinancing Amendment, Extension

Amendment or Incremental Amendment may provide that the applicable Incremental Lenders shall receive a less than ratable payment); *provided* , *further* , that to the extent the terms of such Incremental Commitments are not consistent with the Facilities (except to the extent permitted by this Section 2.14), the terms of such Incremental Commitments shall be reasonably satisfactory to the Administrative Agent. In any event:

(i) the Incremental Term Loans and, as applicable, the New Revolving Credit Commitments:

(A) shall rank *pari passu* in right of payment and of security with the Revolving Credit Loans and the Term Loans;

(B) in the case of Incremental Term Loans, shall not mature earlier than the Latest Maturity Date of the Initial Term Loans outstanding at the time of incurrence of such Incremental Term Loans;

(C) in the case of New Revolving Credit Commitments, shall not mature earlier than the Latest Maturity Date of the Revolving Credit Commitments outstanding at the time of incurrence of such New Revolving Credit Commitments or have amortization or scheduled mandatory commitment reductions (other than at maturity);

(D) in the case of Incremental Term Loans, shall have a Weighted Average Life to Maturity not shorter than the remaining Weighted Average Life to Maturity of then-existing Initial Term Loans;

(E) in the case of Incremental Term Loans, subject to clauses (B) and (D) above, shall have amortization determined by the Borrowers and the applicable Incremental Term Lenders;

(F) subject to clause (iii) below, shall have an Applicable Margin determined by the Borrowers and the applicable Incremental Term Lenders or Incremental Revolving Credit Lenders, as applicable;

(G) (x) in the case of Incremental Term Loans, shall be incurred in Dollars, and (y) in the case of New Revolving Credit Commitments, shall be denominated in Dollars; and

(H) may participate on a *pro rata* basis or less than *pro rata* basis (but not on a greater than *pro rata* basis) in any voluntary or mandatory prepayments of Initial Term Loans hereunder, as specified in the applicable Incremental Amendment;

(I) all other material terms of any Incremental Term Loans shall be substantially identical, or (taken as a whole) no more favorable (as reasonably determined by the Borrowers) to the Lenders providing such Incremental Term Loans than those applicable to the then-existing Term Loans (except for covenants or other provisions applicable only to periods after the Latest Maturity Date of the then-existing Term Loans);

(ii) all material terms (other than with respect to margin, pricing, maturity or fees) of any Revolving Commitment Increase and Incremental Revolving Loans under such Revolving Commitment Increase shall be identical to the Revolving Credit Commitments and Revolving Credit Loans or otherwise reasonably acceptable to the Administrative Agent; it being understood and agreed that covenants or other provisions applicable only to the periods after the Latest Maturity Date of any then-existing Revolving Credit Commitments and Revolving Credit Loans shall be acceptable, subject, solely as to administrative matters to the consent of the Administrative Agent (such consent not to be unreasonably withheld, conditioned or delayed);

(iii) with respect to any Incremental Term Loan or New Revolving Credit Commitments, the All-In Yield applicable to such Incremental Term Loans or New Revolving Credit Commitments, as applicable, of each Class shall be determined by the Borrower Representative and the applicable Incremental Term Lenders or Incremental Revolving Credit Lenders, and shall be set forth in each applicable Incremental Amendment; *provided* , *however* , that if the All-In Yield in respect of such Incremental Term Loans exceeds the All-In Yield in respect of any then-existing Term Loans by more than 0.50%, the Applicable Margin of such then-existing Term Loans shall be adjusted such that the All-In Yield of such then-existing Term Loans equals the All-In Yield of such Indebtedness *minus* 0.50%; *provided* that any amendments to the Applicable Margin in respect of any then-existing Term Loans that become effective subsequent to the Closing Date but prior to the time of such Indebtedness is incurred or borrowed shall also be included in such calculations, effective upon the making of loans under such Indebtedness; *provided* , *further* , that if such Indebtedness includes a Eurodollar Rate floor greater than 1.00% *per annum* or an ABR floor greater than 2.00% *per annum* , such differential between the Eurodollar Rate floor or the ABR floor, as the case may be, shall be equated to the applicable All-In Yield for purposes of determining whether an increase to the interest rate margin under the Term Loans shall be required, but only to the extent an increase in the Eurodollar Rate floor or ABR floor in the Term Loans, as the case may be, would cause an increase in the interest rate then in effect thereunder, and in such case, the Eurodollar Rate floor or ABR floor (but not the interest rate margin), applicable to the Term Loans shall be increased to the extent of such differential between the Eurodollar Rate floors or ABR floors, as the case may be;

(iv) any Incremental Term Loans that are fixed rate loans shall, at the Borrower Representative's election, be

swapped to a floating rate on a customary matched maturity basis; and

(v) to the extent any Incremental Term Loans are made in the form of a Term Loan Increase or are Incremental Term Loans with the same terms as the Term Loans made on the Closing Date, (i) the scheduled amortization payments under Section 2.07(a) required to be made after the making of such Incremental Term Loans shall be ratably increased by the aggregate principal amount of such Incremental Term Loans and shall be further increased for all Lenders on a *pro rata* basis to the extent necessary to avoid any reduction in the amortization payments to which the Term Lenders were entitled before such recalculation and (ii) in the event that, prior to the incurrence of any Incremental Term Loans made in the form of a Term Loan Increase or Incremental Term Loans with the same terms as the Term Loans made on the Closing Date, the Term Loans made on the Closing Date, pursuant to any other Term Loan Increase or any other Incremental Term Loans made on the same terms as the Term Loans made on the Closing Date have scheduled amortization payments under Section 2.07(a) that are less than 0.25% of the aggregate principal amount of such Term Loans when initially incurred, then the scheduled amortization payments on the Incremental Facility Closing Date of such Incremental Term Loans shall be increased to be equal quarterly installments of principal equal to 0.25% of the aggregate principal amount of such Term Loans originally incurred.

(f) *Incremental Amendment* . Commitments in respect of Incremental Term Loans and Incremental Revolving Loan Commitments shall become Commitments (or in the case of an Incremental Revolving Loan Commitment to be provided by an existing Revolving Credit Lender, an increase in such Lender's applicable Revolving Credit Commitment), under this Agreement pursuant to an amendment (an " **Incremental Amendment** ") to this Agreement and, as appropriate, the other Loan Documents, executed by the Borrowers, each Incremental Lender providing such Commitments and the Administrative Agent. The Incremental Amendment may, without the consent of any other Loan Party, Agent or Lender, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower Representative, to effect the provisions of this Section 2.14 , including amendments to Section 2.05(a)(ii) that are not adverse to the interests of the Lenders. The Borrowers will use the proceeds of the Incremental Term Loans and Incremental Revolving Loan Commitments for working capital and other general corporate purposes, including the financing of Permitted Acquisitions and other Investments permitted hereby and any other use not prohibited by the Loan Documents, in each case as determined by the Borrowers and the Lenders providing such Incremental Term Loans and Incremental Revolving Loan Commitments. No Lender shall be obligated to provide any Incremental Term Loans or Incremental Revolving Loan Commitments, unless it so agrees.

(g) *Reallocation of Revolving Credit Exposure* . Upon any Incremental Facility Closing Date on which Revolving Commitment Increases are effected through an increase in the Revolving Credit Commitments pursuant to this Section 2.14 , (a) if the increase relates to the Revolving Credit Facility, each of the Revolving Credit Lenders shall assign to each of the Incremental Revolving Credit Lenders, and each of the Incremental Revolving Credit Lenders shall purchase from each of the Revolving Credit Lenders, at the principal amount thereof, such interests in the Incremental Revolving Loans outstanding on such Incremental Facility Closing Date as shall be necessary in order that, after giving effect to all such assignments and purchases, such Revolving Credit Loans will be held by existing Revolving Credit Lenders and Incremental Revolving Credit Lenders ratably in accordance with their Revolving Credit Commitments after giving effect to the addition of such Revolving Commitment Increases to the Revolving Credit Commitments, (b) each Revolving Commitment Increase shall be deemed for all purposes a Revolving Credit Commitment and each Loan made thereunder shall be deemed, for all purposes, a Revolving Credit Loan and (c) each Incremental Revolving Credit Lender shall become a Lender with respect to the Revolving Commitment Increases and all matters relating thereto. The Administrative Agent and the Lenders hereby agree that the minimum borrowing, *pro rata* borrowing and *pro rata* payment requirements contained elsewhere in this Agreement shall not apply to the transactions effected pursuant to the immediately preceding sentence.

(h) This Section 2.14 shall supersede any provisions in Section 2.13 or 10.01 to the contrary.

Section 2.15. Refinancing Amendments .

(a) On one or more occasions after the Closing Date, the Borrowers may obtain, from any Lender or any Additional Refinancing Lender, Credit Agreement Refinancing Indebtedness in respect of all or any portion of the Term Loans and the Revolving Credit Loans (or unused Revolving Credit Commitments) then outstanding under this Agreement (which for purposes of this Section 2.15(a) will be deemed to include any then outstanding Refinancing Term Loans or Incremental Term Loans), in the form of Refinancing Term Loans, Refinancing Term Commitments, Refinancing Revolving Credit Commitments or Refinancing Revolving Credit Loans incurred under this Agreement pursuant to a Refinancing Amendment; *provided* that notwithstanding anything to the contrary in this Section 2.15 or otherwise, (1) the borrowing and repayment (except for (A) payments of interest and fees at different rates on Refinancing Revolving Credit Commitments (and related outstandings), (B) repayments required upon the maturity date of the Refinancing Revolving Credit Commitments and (C) repayment made in connection with a permanent repayment and termination of commitments (subject to clause (3) below)) of Loans with respect to Refinancing Revolving Credit Commitments after the date of obtaining any Refinancing Revolving Credit Commitments shall be made on a *pro rata* basis with all other Revolving Credit Commitments, (2) subject to the provisions of Section 2.03(m) to the extent dealing with Letters of Credit which mature or expire after a maturity date when there exist Extended Revolving Credit Commitments with a longer maturity date, all Letters of Credit shall be participated on a *pro rata* basis by all Lenders with Commitments in accordance with their percentage of the Revolving Credit Commitments (and except as provided in Section 2.03(m) , without giving effect to changes thereto on an earlier maturity date with respect to Letters of Credit theretofore incurred or issued), (3) the permanent repayment of Revolving Credit Loans

with respect to, and termination of, Refinancing Revolving Credit Commitments after the date of obtaining any Refinancing Revolving Credit Commitments shall be made on a *pro rata* basis with all other Revolving Credit Commitments, except that the Borrowers shall be permitted to permanently repay and terminate commitments of any such Class on a better than a *pro rata* basis as compared to any other Class with a later maturity date than such Class and (4) assignments and participations of Refinancing Revolving Credit Commitments and Refinancing Revolving Credit Loans shall be governed by the same assignment and participation provisions applicable to Revolving Credit Commitments and Revolving Credit Loans.

(b) Each issuance of Credit Agreement Refinancing Indebtedness under Section 2.15(a) shall be in an aggregate principal amount that is (x) not less than $5,000,000 and (y) an integral multiple of $1,000,000 in excess thereof.

(c) Each of the parties hereto hereby agrees that this Agreement and the other Loan Documents may be amended pursuant to a Refinancing Amendment, without the consent of any other Lenders, to the extent (but only to the extent) necessary to (i) reflect the existence and terms of the Credit Agreement Refinancing Indebtedness incurred pursuant thereto and (ii) make such other changes to this Agreement and the other Loan Documents consistent with the provisions and intent of the third paragraph of Section 10.01 (without the consent of the Required Lenders called for therein) and (iii) effect such other amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower Representative, to effect the provisions of this Section 2.15 , and the Required Lenders hereby expressly authorize the Administrative Agent to enter into any such Refinancing Amendment.

(d) This Section 2.15 shall supersede any provisions in Section 2.13 or 10.01 to the contrary.

Section 2.16. Extension of Term Loans; Extension of Revolving Credit Loans .

(a) *Extension of Term Loans* . The Borrowers may at any time and from time to time request that all or a portion of the Term Loans of a given Class (each, an " **Existing Term Loan Tranche** ") be amended to extend the scheduled maturity date(s) with respect to all or a portion of any principal amount of such Term Loans (any such Term Loans which have been so amended, " **Extended Term Loans** ") and to provide for other terms consistent with this Section 2.16 . In order to establish any Extended Term Loans, the Borrowers shall provide a notice to the Administrative Agent (who shall provide a copy of such notice to each of the Lenders under the applicable Existing Term Loan Tranche) (each, a " **Term Loan Extension Request** ") setting forth the proposed terms of the Extended Term Loans to be established, which shall (x) be identical as offered to each Lender under such Existing Term Loan Tranche (including as to the proposed interest rates and fees payable) and offered *pro rata* to each Lender under such Existing Term Loan Tranche and (y) be substantially identical to, or (taken as a whole) no more favorable to the Extending Term Lenders than those applicable to the Existing Term Loan Tranche subject to such Term Loan Extension Request (except for covenants or other provisions applicable only to periods after the Latest Maturity Date that is in effect on the effective date of the Extension Amendment (immediately prior to the establishment of such Extended Term Loans), including: (i) all or any of the scheduled amortization payments of principal of the Extended Term Loans may be delayed to later dates than the scheduled amortization payments of principal of the Term Loans of such Existing Term Loan Tranche, to the extent provided in the applicable Extension Amendment; *provided* , *however* , that at no time shall there be Classes of Term Loans hereunder (including Refinancing Term Loans and Extended Term Loans) which have more than five different Maturity Dates; (ii) the All-In Yield with respect to the Extended Term Loans (whether in the form of interest rate margin, upfront fees, OID or otherwise) may be different from the All-In Yield for the Term Loans of such Existing Term Loan Tranche, in each case, to the extent provided in the applicable Extension Amendment; (iii) the Extension Amendment may provide for other covenants and terms that apply solely to any period after the Latest Maturity Date that is in effect on the effective date of the Extension Amendment (immediately prior to the establishment of such Extended Term Loans); and (iv) Extended Term Loans may have call protection as may be agreed by the Borrowers and the Lenders thereof; *provided* that no Extended Term Loans may be optionally prepaid prior to the date on which all Term Loans with an earlier final stated maturity (including Term Loans under the Existing Term Loan Tranche from which they were amended) are repaid in full, unless such optional prepayment is accompanied by a *pro rata* optional prepayment of such other Term Loans; *provided* , *however* , that (A) no Default or Event of Default shall have occurred and be continuing at the time a Term Loan Extension Request is delivered to Lenders, (B) in no event shall the final maturity date of any Extended Term Loans of a given Term Loan Extension Series at the time of establishment thereof be earlier than the then Latest Maturity Date of the applicable Existing Term Loan Tranche, (C) the Weighted Average Life to Maturity of any Extended Term Loans of a given Term Loan Extension Series at the time of establishment thereof shall be no shorter than the remaining Weighted Average Life to Maturity of the applicable Existing Term Loan Tranche, (D) all documentation in respect of such Extension Amendment shall be consistent with the foregoing and (E) any Extended Term Loans may participate on a *pro rata* basis or less than a *pro rata* basis (but not greater than a *pro rata* basis) in any voluntary or mandatory repayments or prepayments hereunder, in each case as specified in the respective Term Loan Extension Request. Any Extended Term Loans amended pursuant to any Term Loan Extension Request shall be designated a series (each, a " **Term Loan Extension Series** ") of Extended Term Loans for all purposes of this Agreement; *provided* that any Extended Term Loans amended from an Existing Term Loan Tranche may, to the extent provided in the applicable Extension Amendment, be designated as an increase in any previously established Term Loan Extension Series with respect to such Existing Term Loan Tranche (in which case scheduled amortization with respect thereto shall be proportionally increased). Each Term Loan Extension Series of Extended Term Loans incurred under this Section 2.16 shall be in an aggregate principal amount that is not less than $50,000,000.

(b) *Extension of Revolving Credit Commitments* . The Borrowers may, at any time and from time to time request that all or a portion of the Revolving Credit Commitments of a given Class (each, an " **Existing Revolver Tranche** ") be amended to extend the

Maturity Date with respect to all or a portion of any principal amount of such Revolving Credit Commitments (any such Revolving Credit Commitments which have been so amended, " **Extended Revolving Credit Commitments** ") and to provide for other terms consistent with this Section 2.16 . In order to establish any Extended Revolving Credit Commitments, the Borrowers shall provide a notice to the Administrative Agent (who shall provide a copy of such notice to each of the Lenders under the applicable Existing Revolver Tranche) (each, a " **Revolver Extension Request** ") setting forth the proposed terms of the Extended Revolving Credit Commitments to be established, which shall (x) be identical as offered to each Lender under such Existing Revolver Tranche (including as to the proposed interest rates and fees payable) and offered *pro rata* to each Lender under such Existing Revolver Tranche and (y) the Extended Revolving Credit Commitment extended pursuant to a Revolver Extension Request, and the related outstandings, shall be a Revolving Credit Commitment (or related outstandings, as the case may be) with such other terms substantially identical to, or taken as a whole, no more favorable to the Extending Revolving Credit Lender, as the original Revolving Credit Commitments (and related outstandings); *provided* : (i) the Maturity Date of the Extended Revolving Credit Commitments may be delayed to a later date than the Maturity Date of the Revolving Credit Commitments of such Existing Revolver Tranche, to the extent provided in the applicable Extension Amendment; *provided* , *however* , that at no time shall there be Classes of Revolving Credit Commitments hereunder (including Extended Revolving Credit Commitments) which have more than five different Maturity Dates; (ii) the All-In Yield with respect to extensions of credit under the Extended Revolving Credit Commitments (whether in the form of interest rate margin, upfront fees, OID or otherwise) may be different than the All-In Yield, pricing, optional redemption or prepayment terms, for extensions of credit under the Revolving Credit Commitments of such Existing Revolver Tranche, in each case, to the extent provided in the applicable Extension Amendment; (iii) the Extension Amendment may provide for other covenants (as determined by the Borrowers and Lenders extending) and terms that apply solely to any period after the Latest Maturity Date that is in effect on the effective date of the Extension Amendment (immediately prior to the establishment of such Extended Revolving Credit Commitments); and (iv) all borrowings under the applicable Revolving Credit Commitments (*i.e.* , the Existing Revolver Tranche and the Extended Revolving Credit Commitments of the applicable Revolver Extension Series) and repayments thereunder shall be made on a *pro rata* basis (except for (I) payments of interest and fees at different rates on Extended Revolving Credit Commitments (and related outstandings), (II) repayments required upon the Maturity Date of the non-extending Revolving Credit Commitments and (III) repayments made in connection with a permanent repayment and termination of non-extended Revolving Credit Commitments); *provided* , *further* , that (A) no Default or Event of Default shall have occurred and be continuing at the time a Revolver Extension Request is delivered to Lenders, (B) in no event shall the final maturity date of any Extended Revolving Credit Commitments of a given Revolver Extension Series at the time of establishment thereof be earlier than the then Latest Maturity Date of any other Revolving Credit Commitments hereunder and (C) all documentation in respect of such Extension Amendment shall be consistent with the foregoing. Any Extended Revolving Credit Commitments amended pursuant to any Revolver Extension Request shall be designated a series (each, a " **Revolver Extension Series** ") of Extended Revolving Credit Commitments for all purposes of this Agreement; *provided* that any Extended Revolving Credit Commitments amended from an Existing Revolver Tranche may, to the extent provided in the applicable Extension Amendment, be designated as an increase in any previously established Revolver Extension Series with respect to such Existing Revolver Tranche. Each Revolver Extension Series of Extended Revolving Credit Commitments incurred under this Section 2.16 shall be in an aggregate principal amount that is not less than $10,000,000.

(c) *Extension Request* . The Borrowers shall provide the applicable Extension Request at least five Business Days prior to the date on which Lenders under the Existing Term Loan Tranche or Existing Revolver Tranche, as applicable, are requested to respond (or such shorter period as agreed by the Administrative Agent), and shall agree to such procedures, if any, as may be established by, or acceptable to, the Administrative Agent and the Borrowers, in each case acting reasonably to accomplish the purposes of this Section 2.16 . Subject to Section 3.07 , no Lender shall have any obligation to agree to have any of its Term Loans of any Existing Term Loan Tranche amended into Extended Term Loans or any of its Revolving Credit Commitments amended into Extended Revolving Credit Commitments, as applicable, pursuant to any Extension Request. Any Lender holding a Loan under an Existing Term Loan Tranche (each, an " **Extending Term Lender** ") wishing to have all or a portion of its Term Loans under the Existing Term Loan Tranche subject to such Extension Request amended into Extended Term Loans and any Revolving Credit Lender (each, an " **Extending Revolving Credit Lender** ") wishing to have all or a portion of its Revolving Credit Commitments under the Existing Revolver Tranche subject to such Extension Request amended into Extended Revolving Credit Commitments, as applicable, shall notify the Administrative Agent (each, an " **Extension Election** ") on or prior to the date specified in such Extension Request of the amount of its Term Loans under the Existing Term Loan Tranche or Revolving Credit Commitments under the Existing Revolver Tranche, as applicable, which it has elected to request be amended into Extended Term Loans or Extended Revolving Credit Commitments, as applicable (subject to any minimum denomination requirements imposed by the Administrative Agent). In the event that the aggregate principal amount of Term Loans under the Existing Term Loan Tranche or Revolving Credit Commitments under the Existing Revolver Tranche, as applicable, in respect of which applicable Term Lenders or Revolving Credit Lenders, as the case may be, shall have accepted the relevant Extension Request exceeds the amount of Extended Term Loans or Extended Revolving Credit Commitments, as applicable, requested to be extended pursuant to the Extension Request, Term Loans or Revolving Credit Commitments, as applicable, subject to Extension Elections shall be amended to Extended Term Loans or Revolving Credit Commitments, as applicable, on a *pro rata* basis (subject to rounding by the Administrative Agent, which shall be conclusive) based on the aggregate principal amount of Term Loans or Revolving Credit Commitments, as applicable, included in each such Extension Election.

(d) *Extension Amendment* . Extended Term Loans and Extended Revolving Credit Commitments shall be established pursuant to an amendment (each, an " **Extension Amendment** ") to this Agreement among the Borrowers, the Administrative Agent and each Extending Term Lender or Extending Revolving Credit Lender, as applicable, providing an Extended Term Loan or Extended Revolving Credit Commitment, as applicable, thereunder, which shall be consistent with the provisions set forth in Section 2.16(a) or 2.16(b) above, respectively (but which shall not require the consent of any other Lender). The effectiveness of any Extension Amendment shall be subject to

the satisfaction (or waiver) on the date thereof of each of the conditions set forth in Section 4.02 (other than delivery of a Committed Loan Notice) and, to the extent reasonably requested by the Administrative Agent, receipt by the Administrative Agent of (i) legal opinions, board resolutions and officers' certificates consistent with those delivered on the Closing Date other than changes to such legal opinion resulting from a change in law, change in fact or change to counsel's form of opinion reasonably satisfactory to the Administrative Agent and (ii) reaffirmation agreements and/or such amendments to the Collateral Documents as may be reasonably requested by the Administrative Agent in order to ensure that the Extended Term Loans or Extended Revolving Credit Commitments, as applicable, are provided with the benefit of the applicable Loan Documents. The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Extension Amendment. Each of the parties hereto hereby agrees that this Agreement and the other Loan Documents may be amended pursuant to an Extension Amendment, without the consent of any other Lenders, to the extent (but only to the extent) necessary to (i) reflect the existence and terms of the Extended Term Loans or Extended Revolving Credit Commitments, as applicable, incurred pursuant thereto, (ii) modify the scheduled repayments set forth in Section 2.07 with respect to any Existing Term Loan Tranche subject to an Extension Election to reflect a reduction in the principal amount of the Term Loans thereunder in an amount equal to the aggregate principal amount of the Extended Term Loans amended pursuant to the applicable Extension (with such amount to be applied ratably to reduce scheduled repayments of such Term Loans required pursuant to Section 2.07), (iii) modify the prepayments set forth in Section 2.05 to reflect the existence of the Extended Term Loans and the application of prepayments with respect thereto, (iv) make such other changes to this Agreement and the other Loan Documents consistent with the provisions and intent of the third paragraph of Section 10.01 (without the consent of the Required Lenders called for therein) and (v) effect such other amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower Representative, to effect the provisions of this Section 2.16 , and the Required Lenders hereby expressly authorize the Administrative Agent to enter into any such Extension Amendment.

(e) No conversion of Loans pursuant to any Extension in accordance with this Section 2.16 shall constitute a voluntary or mandatory payment or prepayment for purposes of this Agreement. This Section 2.16 shall supersede any provisions in Section 2.13 or 10.01 to the contrary.

Section 2.17. Defaulting Lenders .

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

(vi) Waivers and Amendments . That Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in Section 10.01 .

(vii) Reallocation of Payments . Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of that Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise), 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 the Administrative Agent hereunder; *second* , to the payment on a *pro rata* basis of any amounts owing by that Defaulting Lender to the L/C Issuers or Swing Line Lender hereunder; *third* , if so determined by the Administrative Agent or requested by the L/C Issuers or Swing Line Lender, to be held as Cash Collateral for future funding obligations of that Defaulting Lender of any participation in any Swing Line Loan or Letter of Credit; *fourth* , as the Borrower Representative may request (so long as no Default or Event of Default has occurred and is continuing), 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 reasonably determined by the Administrative Agent; *fifth* , if so determined by the Administrative Agent and the Borrower Representative, to be held in a non-interest bearing deposit account and released in order to satisfy obligations of that Defaulting Lender to fund Loans under this Agreement; *sixth* , to the payment of any amounts owing to the Lenders, the L/C Issuers or Swing Line Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, any L/C Issuer or the Swing Line Lender against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; *seventh* , so long as no Default or Event of Default has occurred and is continuing, to the payment of any amounts owing to the Borrowers as a result of any judgment of a court of competent jurisdiction obtained by the Borrowers against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; and *eighth* , 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 Loans or L/C Borrowings in respect of which that Defaulting Lender has not fully funded its appropriate share and (y) such Loans or L/C Borrowings 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, and L/C Borrowings owed to, all Non-Defaulting Lenders on a *pro rata* basis prior to being applied to the payment of any Loans of, or L/C Borrowings owed to, 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 or to post Cash Collateral pursuant to this Section 2.17(a)(ii) shall be deemed paid to and redirected by that Defaulting Lender, and each Lender irrevocably consents hereto.

(viii) Certain Fees . That Defaulting Lender (x) shall not be entitled to receive any commitment fee pursuant to Section 2.09(a) for any period during which that Lender is a Defaulting Lender (and the Borrowers shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender) and (y) shall be limited in its right to

receive Letter of Credit fees as provided in Section 2.03(h) .

(ix) Reallocation of Pro Rata Share to Reduce Fronting Exposure . During any period in which there is a Defaulting Lender, for purposes of computing the amount of the obligation of each Non-Defaulting Lender to acquire, refinance or fund participations in Letters of Credit and Swing Line Loans pursuant to Section 2.03 , the "Pro Rata Share" of each Non-Defaulting Lender's Revolving Credit Loans and L/C Obligations shall be computed without giving effect to the Commitment of that Defaulting Lender; *provided* that (i) each such reallocation shall be given effect only if, at the date the applicable Lender becomes a Defaulting Lender, no Default or Event of Default has occurred and is continuing; and (ii) the aggregate obligation of each Non-Defaulting Lender to acquire, refinance or fund participations in Letters of Credit and Swing Line Loans shall not exceed the positive difference, if any, of (1) the Commitment of that Non-Defaulting Lender *minus* (2) the aggregate Outstanding Amount of the Loans of that Lender.

(b) *Defaulting Lender Cure* . If the Borrowers, the Administrative Agent and the L/C Issuers and the Swing Line Lender agree in writing in their sole discretion that a Defaulting Lender should no longer be deemed to be 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 (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase 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 Revolving Credit Loans and funded and unfunded participations in Letters of Credit and Swing Line Loans to be held on a *pro rata* basis by the Lenders in accordance with their Pro Rata Share (without giving effect to Section 2.17(a)(iv)), whereupon that 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 Borrowers while that Lender was a Defaulting Lender; *provided* , *further* , that except to the extent otherwise expressly agreed by the affected parties and subject to Section 11.13 , no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

ARTICLE III

TAXES, INCREASED COSTS PROTECTION AND ILLEGALITY

Section 3.01. Taxes .

(h) Except as provided in this Section 3.01 , any and all payments made by or on account of the Borrowers (the term Borrower under Article III being deemed to include any Subsidiary for whose account a Letter of Credit is issued) or Guarantors under any Loan Document shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes. If any Borrower, any Guarantor or other applicable withholding agent shall be required by any Laws to deduct any Taxes from or in respect of any sum payable under any Loan Document to any Agent or any Lender (as determined in the good-faith discretion of the applicable withholding agent), (i) if the Tax in question is an Indemnified Tax, the sum payable by the Borrowers or any Guarantor shall be increased as necessary so that after making all required deductions of Indemnified Tax (including deductions of Indemnified Tax applicable to additional sums payable under this Section 3.01), each of such Agent and such Lender receives an amount equal to the sum it would have received had no such deductions for Indemnified Tax been made, (ii) the applicable withholding agent shall make such deductions, and (iii) the applicable withholding agent shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable Laws. Within 30 days after the date of such payment of Taxes pursuant to this Section 3.01 (or, if receipts or evidence are not available within 30 days, as soon as possible thereafter), if any Borrower or any Guarantor is the applicable withholding agent, it shall furnish to the Administrative Agent the original or a copy of a receipt evidencing payment thereof, a copy of the return reporting such payment, or other evidence reasonably acceptable to the Administrative Agent.

(i) In addition, the Borrowers agree to pay any and all present or future stamp, court or documentary Taxes and any other property, intangible or mortgage recording Taxes, imposed by any Governmental Authority, which arise from the execution, delivery, performance, enforcement or registration of, or otherwise with respect to, any Loan Document excluding, in each case, any such Tax imposed solely as a result of an Agent or Lender's Assignment and Assumption (collectively, " **Assignment Taxes** "), except for Assignment Taxes resulting from assignment or participation that is requested or required in writing by the Borrower Representative (all such non-excluded taxes described in this Section 3.01(b) being hereinafter referred to as " **Other Taxes** ").

(j) Each Borrower and each Guarantor agree to indemnify each Agent and each Lender for (i) the full amount of Indemnified Taxes payable by such Agent or such Lender (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 3.01) and (ii) any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the Governmental Authority. A certificate as to the amount of such payment or liability prepared in good faith and delivered by such Agent or Lender (or by an Agent on behalf of such Lender) accompanied by a written statement thereof setting forth in reasonable detail the basis and calculation of such amounts shall be conclusive absent manifest error.

(k) Each Lender and Agent shall, at the time or times prescribed by applicable Law and at the time or times as are reasonably requested by the Borrower Representative or the Administrative Agent, provide the Borrower Representative and the Administrative Agent with any documentation prescribed by Law or reasonably requested by the Borrower Representative or the

Administrative Agent certifying as to any entitlement of such Lender to an exemption from, or reduction in, withholding Tax with respect to any payments to be made to such Lender or Agent under the Loan Documents. Each such Lender and Agent shall, whenever a lapse in time or change in circumstances renders such documentation obsolete or inaccurate in any material respect, deliver promptly and on or before the date such documentation expires, becomes obsolete or inaccurate to the Borrower Representative and the Administrative Agent updated or other appropriate documentation (including any new documentation reasonably requested by the Borrower Representative or the Administrative Agent) or promptly notify the Borrower Representative and the Administrative Agent in writing of its inability to do so. Unless the applicable withholding agent has received forms or other documents satisfactory to it indicating that payments under any Loan Document to or for a Lender are not subject to withholding Tax, the applicable withholding agent shall be entitled to withhold amounts required to be withheld by applicable Law from such payments at the applicable rate. Notwithstanding any other provision of this Section 3.01(d) , an Agent or a Lender shall not be required to deliver any form or certification pursuant to this Section 3.01(d) (other than the documentation set forth in Section 3.01(d)(i) through (v)) (x) that such Agent or Lender is not legally eligible to deliver or (y) if in such Agent's or Lender's reasonable judgment the completion, execution or submission of such form or certification would subject such Agent or Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Agent or Lender. Without limiting the foregoing:

(i) Each Lender that is a United States person (as defined in Section 7701(a)(30) of the Code) shall deliver to the Borrower Representative and the Administrative Agent on or before the date on which it becomes a party to this Agreement two properly completed and duly signed original copies of Internal Revenue Service Form W-9 certifying that such Lender is exempt from federal backup withholding.

(ii) Each Lender that is not a United States person (as defined in Section 7701(a)(30) of the Code) shall deliver to the Borrower Representative and the Administrative Agent on or before the date on which it becomes a party to this Agreement (and from time to time thereafter upon the request of the Borrower Representative or the Administrative Agent) whichever of the following is applicable:

(A) two properly completed and duly signed copies of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable (or any successor forms), claiming eligibility for the benefits of an income tax treaty to which the United States is a party, and such other documentation as required under the Code,

(B) two properly completed and duly signed copies of IRS Form W-8ECI (or any successor forms),

(C) in the case of a 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 H-1 to the effect that such Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrowers within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a " **United States Tax Compliance Certificate** ") and (y) two properly completed and duly signed original copies of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable (or any successor forms), or

(D) to the extent a Lender is not the beneficial owner (for example, where the Lender is a partnership), two properly completed and duly signed original copies of IRS Form W-8IMY (or any successor forms) of the Lender, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a United States Tax Compliance Certificate substantially in the form of Exhibit H-2 or Exhibit H-3, Form W-9, and/or other certification documents from each beneficial owner, as applicable (*provided* that if the Lender is a partnership and one or more direct or indirect partners of such Lender are claiming the portfolio interest exemption, such Lender may provide a United States Tax Compliance Certificate substantially in the form of Exhibit H-4 on behalf of each such direct and indirect partner).

(iii) Each Agent that is a United States person (as defined in Section 7701(a)(30) of the Code) shall deliver to the Borrower Representative and the Administrative Agent two properly completed and duly signed copies of IRS Form W-9 with respect to fees received on its own behalf, certifying that such Agent is exempt from federal backup withholding. Each Agent that is not a United States person (as defined in Section 7701(a)(30) of the Code) shall deliver to the Borrower Representative and the Administrative Agent two properly completed and duly signed original copies of IRS Form W-8ECI with respect to fees received on its own behalf.

(iv) If a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA, such Lender shall deliver to the Borrower Representative and the Administrative Agent at the time or times prescribed by Laws and at such time or times reasonably requested by the Borrower Representative or the Administrative Agent such documentation prescribed by applicable Laws and such additional documentation reasonably requested by the Borrower Representative or the Administrative Agent as may be necessary for the Borrower Representative and the Administrative Agent to comply with their obligations under FATCA and to determine whether such Lender has or has not complied with such Lender's obligations under FATCA and, if necessary, to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 3.01(d) , "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(v) 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 Representative and the Administrative Agent in writing of its legal inability to do so.

(l) If any Lender requests compensation under this Section 3.01 , then such Lender will, if requested by the Borrower Representative, use its commercially reasonable efforts to designate another Lending Office if such a change would reduce any such additional amounts (or any similar amount that may thereafter accrue) and would not, in the reasonable judgment of such Lender, result in any unreimbursed cost or expense or be otherwise disadvantageous to such Lender. The Borrowers hereby agree to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(m) If any party determines, in its sole discretion exercised in good faith, that it has received a refund in respect of any Indemnified Taxes as to which indemnification or additional amounts have been paid to it by a Loan Party pursuant to this Section 3.01 , it shall promptly remit such refund to such Loan Party (but only to the extent of indemnification or additional amounts paid by the Loan Party under this Section 3.01 with respect to the Indemnified Taxes giving rise to such refund), net of all out-of-pocket expenses (including any Taxes) of the Lender or Agent, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund net of any Taxes payable by any Agent or Lender on such interest); *provided* that the Loan Parties, upon the request of the Lender or Agent, as the case may be, agree promptly to return such refund (*plus* any penalties, interest or other charges imposed by the relevant Governmental Authority) to such party in the event such party is required to repay such refund to the relevant taxing authority; *provided , further* , that in no event will the Lender or Agent be required to pay any amount to a Loan Party pursuant to this paragraph (f) the payment of which would place the Lender or Agent in a less favorable net after-Tax position than the Lender or Agent 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 Section 3.01(f) shall not be construed to require any Agent or any Lender to make available its tax returns (or any other information relating to Taxes that it deems confidential) to the Borrower Representative, the Borrowers or any other person.

(n) Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.07(e) relating to the maintenance of a Participant Register and (iii) any taxes excluded from the definition of Indemnified Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent 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 paragraph (g) .

(o) 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.

(p) For purposes of this Section 3.01 , the term "Lender" includes any L/C Issuer, and the term "applicable Laws" includes FATCA.

Section 3.02. Illegality . If any Lender determines in good faith that any Law or guideline has made it unlawful or impermissible, or that any Governmental Authority has asserted that it is unlawful or impermissible under any such guideline, for any Lender or its applicable Lending Office to make, maintain or fund Eurodollar Rate Loans, or to determine or charge interest rates based upon the Eurodollar Rate, in each case after the Closing Date then, on written notice thereof by such Lender to the Borrower Representative through the Administrative Agent, any obligation of such Lender to make or continue Eurodollar Rate Loans or to convert ABR Loans to Eurodollar Rate Loans shall be suspended until such Lender notifies the Administrative Agent and the Borrower Representative that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrower Representative shall promptly following written demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all applicable Eurodollar Rate Loans of such Lender to ABR Loans, either on the last day of the Interest Period therefor, if such Lender may lawfully and in accordance with guidelines continue to maintain such Eurodollar Rate Loans to such day, or promptly, if such Lender may not lawfully or in accordance with guidelines continue to maintain such Eurodollar Rate Loans. Upon any such prepayment or conversion, the Borrowers shall also pay accrued interest on the amount so prepaid or converted and all amounts due, if any, in connection with such prepayment or conversion under Section 3.05 . Each Lender agrees to designate a different Lending Office if such designation will avoid the need for such notice and will not, in the good faith judgment of such Lender, otherwise be materially disadvantageous to such Lender.

Section 3.03. Inability to Determine Rates . If the Administrative Agent determines, or is notified by the Required Lenders, after the Closing Date that for any reason adequate and reasonable means do not exist for determining the applicable Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan, or that the Eurodollar Rate for any requested Interest Period with

respect to a proposed Eurodollar Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan, or that Dollar deposits are not being offered to banks in the London interbank eurodollar, or other applicable, market for the applicable amount and the Interest Period of such Eurodollar Rate Loan, the Administrative Agent will promptly so notify the Borrower Representative in writing and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Eurodollar Rate Loans shall be suspended and (y) in the event a determination described in the preceding sentence with respect to the Eurodollar Rate component of the ABR, the utilization of the Eurodollar Rate component in determining the ABR shall be suspended, in each case until the Administrative Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, the Borrowers may revoke any pending request for a Borrowing of, conversion to or continuation of such Eurodollar Rate Loans or, failing that, will be deemed to have converted such request, if applicable, into a request for a Borrowing of ABR Loans in the amount specified therein.

Section 3.04. Increased Cost and Reduced Return; Capital Adequacy; Eurodollar Rate Loan Reserves .

(d) If any Lender (which, for purposes of this Section 3.04 shall include the L/C Issuers) reasonably determines that as a result of the introduction of or any change in or in the interpretation of any Law or guideline, in each case after the Closing Date, or such Lender's compliance therewith, there shall be any increase in the cost to such Lender of agreeing to make or making, funding or maintaining any Eurodollar Rate Loans or (as the case may be) issuing or participating in Letters of Credit or Swing Line Loans, or a reduction in the amount received or receivable by such Lender in connection with any of the foregoing (excluding for purposes of this Section 3.04(a) any such increased costs or reduction in amount resulting from (i) (A) Indemnified Taxes indemnified pursuant to Section 3.01 , (B) any Taxes excluded from the definition of "Indemnified Taxes" in sections (ii) through (iv) of such definition or, and (C) "Connection Income Taxes," and (ii) reserve requirements contemplated by Section 3.04(c)) and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining the Eurodollar Rate Loan (or of maintaining its obligations to make any Loan), or to reduce the amount of any sum received or receivable by such Lender, then from time to time within 15 Business Days after written demand by such Lender setting forth in reasonable detail (which detail shall not be required to include any information to the extent disclosure thereof is prohibited by Law) such increased costs (with a copy of such demand to the Administrative Agent given in accordance with Section 3.06), the Borrowers shall pay to such Lender such additional amounts as will compensate such Lender for such increased cost or reduction. Notwithstanding anything herein to the contrary, for all purposes under this Agreement, (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 or guideline, regardless of the date enacted, adopted or issued; *provided* that increased costs because of a change in a Law or guideline resulting from the Dodd-Frank Wall Street Reform and Consumer Protection Act and Basel III may only be requested by a Lender imposing such increased costs on the Borrowers similarly situated to borrowers under syndicated credit facilities comparable to those provided hereunder.

(e) If any Lender determines that the introduction of any Law or guideline regarding capital adequacy or liquidity requirements or any change therein or in the interpretation thereof, in each case after the Closing Date, or compliance by such Lender (or its Lending Office) therewith, has the effect of reducing the rate of return on the capital of such Lender or any corporation controlling such Lender as a consequence of such Lender's obligations hereunder (taking into consideration its policies with respect to capital adequacy and liquidity and such Lender's desired return on capital), then from time to time promptly following written demand of such Lender setting forth in reasonable detail (which detail shall not be required to include any information to the extent disclosure thereof is prohibited by Law) the charge and the calculation of such reduced rate of return (with a copy of such demand to the Administrative Agent given in accordance with Section 3.06), the Borrowers shall pay to such Lender such additional amounts as will compensate such Lender for such reduction within 10 Business Days after receipt of such demand.

(f) The Borrower shall pay to each Lender, (i) as long as such Lender shall be required to maintain reserves, capital or liquidity with respect to liabilities or assets consisting of or including Eurocurrency funds or deposits, additional interest on the unpaid principal amount of each applicable Eurocurrency Rate Loan of the Borrowers equal to the actual costs of such reserves, capital or liquidity allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive in the absence of manifest error), and (ii) as long as such Lender shall be required to comply with any reserve ratio, capital or liquidity requirement or analogous requirement of any other central banking or financial regulatory authority imposed in respect of the maintenance of the Commitments or the funding of any Eurocurrency Rate Loans of the Borrowers, such additional costs (expressed as a percentage per annum and rounded upwards, if necessary, to the nearest five decimal places) equal to the actual costs allocated to such Commitment or Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive absent manifest error) which in each case shall be due and payable on each date on which interest is payable on such Loan; provided the Borrower Representative shall have received at least 10 Business Days' prior notice (with a copy to the Administrative Agent) of such additional interest or cost from such Lender. If a Lender fails to give notice 10 Business Days prior to the relevant Interest Payment Date, such additional interest or cost shall be due and payable 10 Business Days from receipt of such notice.

(g) Failure or delay on the part of any Lender to demand compensation pursuant to this Section 3.04 shall not constitute a waiver of such Lender's right to demand such compensation; *provided* that the applicable Borrower shall not be required to compensate a Lender pursuant to this Section 3.04 , to the extent that such Lender or Agent fails to make a demand for such compensation more than nine months after becoming aware of its right to such compensation.

(h) If any Lender requests compensation under this Section 3.04, then such Lender will, if requested by the Borrower Representative, use commercially reasonable efforts to designate another Lending Office for any Loan or Letter of Credit affected by such event; *provided* that such efforts are made on terms that, in the reasonable judgment of such Lender, cause such Lender and its Lending Office(s) to suffer no material economic, legal or regulatory disadvantage; *provided , further* , that nothing in this Section 3.04(d) shall affect or postpone any of the Obligations of the Borrowers or the rights of such Lender pursuant to Section 3.04(a), (b), (c) or (d).

Section 3.05. Funding Losses. Promptly following written demand of any Lender (with a copy to the Administrative Agent) from time to time, the Borrowers shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense actually incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any Eurodollar Rate Loan of the Borrowers on a day other than the last day of the Interest Period for such Loan; or

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

including any loss or expense (excluding loss of anticipated profits) arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained.

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

Section 3.06. Matters Applicable to All Requests for Compensation.

(f) Any Agent or any Lender claiming compensation under this Article III shall deliver a certificate to the Borrower Representative setting forth the additional amount or amounts to be paid to it hereunder which shall be conclusive in the absence of manifest error. In determining such amount, such Agent or such Lender may use any reasonable averaging and attribution methods.

(g) With respect to any Lender's claim for compensation for any amounts under Section 3.02, 3.03 or 3.04, the Borrowers shall not be required to compensate such Lender for the interest and penalties with respect to such amounts if such Lender notifies the Borrower Representative of the event that gives rise to such claim more than 180 days after such event; *provided* that if the circumstance giving rise to such claim is retroactive, then such 180-day period referred to above shall be extended to include the period of retroactive effect thereof. If any Lender requests compensation by the Borrowers under Section 3.04, the Borrower Representative may, by notice to such Lender (with a copy to the Administrative Agent), suspend the obligation of such Lender to make or continue from one Interest Period to another applicable Eurodollar Rate Loan, or, if applicable, to convert ABR Loans into Eurodollar Rate Loans, until the event or condition giving rise to such request ceases to be in effect (in which case the provisions of Section 3.06(c) shall be applicable); *provided* that such suspension shall not affect the right of such Lender to receive the compensation so requested.

(h) If the obligation of any Lender to make or continue any Eurodollar Rate Loan, or to convert ABR Loans into Eurodollar Rate Loans shall be suspended pursuant to Section 3.06(b) hereof, such Lender's applicable Eurodollar Rate Loans shall be automatically converted into ABR Loans (or, if such conversion is not possible, repaid) on the last day(s) of the then current Interest Period(s) for such Eurodollar Rate Loans (or, in the case of an immediate conversion required by Section 3.02, on such earlier date as required by Law or guidelines) and, unless and until such Lender gives notice as provided below that the circumstances specified in Section 3.02, 3.03 or 3.04 hereof that gave rise to such conversion no longer exist:

(iii) to the extent that such Lender's Eurodollar Rate Loans have been so converted, all payments and prepayments of principal that would otherwise be applied to such Lender's applicable Eurodollar Rate Loans shall be applied instead to its ABR Loans; and

(iv) all Loans that would otherwise be made or continued from one Interest Period to another by such Lender as Eurodollar Rate Loans shall be made or continued instead as ABR Loans (if possible), and all ABR Loans of such Lender that would otherwise be converted into Eurodollar Rate Loans shall remain as ABR Loans.

(i) If any Lender gives notice to the Borrower Representative (with a copy to the Administrative Agent) that the circumstances specified in Section 3.02, 3.03 or 3.04 hereof that gave rise to the conversion of any of such Lender's Eurodollar Rate Loans pursuant to this Section 3.06 no longer exist (which such Lender agrees to do promptly upon such circumstances ceasing to exist) at a time when Eurodollar Rate Loans made by other Lenders under the applicable Facility are outstanding, if applicable, such Lender's ABR Loans shall be automatically converted, on the first day(s) of the next succeeding Interest Period(s) for such outstanding Eurodollar Rate Loans, to the extent necessary so that, after giving effect thereto, all Loans held by the Lenders holding Eurodollar Rate Loans under such Facility and by such Lender are held *pro rata* (as to principal amounts, interest rate basis, and Interest Periods) in accordance with their respective Commitments for the applicable Facility.

Section 3.07. Replacement of Lenders under Certain Circumstances .

(h) If at any time (i) the Borrowers become obligated to pay additional amounts or indemnity payments described in Section 3.01 or 3.04 as a result of any condition described in such Sections or any Lender ceases to make any Eurodollar Rate Loans as a result of any condition described in Section 3.02 or 3.04 or requires the Borrowers to pay additional amounts as a result thereof, (ii) any Lender becomes a Defaulting Lender, or (iii) any Lender becomes a Non-Consenting Lender, then the Borrower Representative may, on five Business Days' prior written notice to the Administrative Agent and such Lender, replace such Lender by causing such Lender to (and such Lender shall be obligated to) assign pursuant to Section 10.07(b) (so long as the assignment fee is paid in such instance) all of its rights and obligations under this Agreement (which shall only apply in respect of any applicable Facility (and not all Facilities hereunder) only in the case of clause (i) or, in the case of a Non-Consenting Lender with respect to a vote of directly and adversely affected Lenders (" **Affected Class** "), clause (iii)); *provided* that neither the Administrative Agent nor any Lender shall have any obligation to the Borrowers to find a replacement Lender or other such Person; *provided* , *further* , that (A) in the case of any such assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01 , such assignment will result in a reduction in such compensation or payments and (B) in the case of any such assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable Eligible Assignees shall have agreed to, and shall be sufficient (together with all other consenting Lenders) to cause the adoption of, the applicable departure, waiver or amendment of the Loan Documents.

(i) Any Lender being replaced pursuant to Section 3.07(a) above shall (i) execute and deliver an Assignment and Assumption with respect to such Lender's applicable Commitment and outstanding Loans and participations in L/C Obligations and Swing Line Loans in respect thereof, and (ii) deliver any Notes evidencing such Loans to the Borrower Representative or the Administrative Agent. Pursuant to such Assignment and Assumption, (A) the assignee Lender shall acquire all or a portion, as the case may be, of the assigning Lender's Commitment and outstanding Loans and participations in L/C Obligations and Swing Line Loans, (B) all obligations of the Borrowers owing to the assigning Lender relating to the Loans, Commitments and participations so assigned shall be paid in full by the assignee Lender to such assigning Lender concurrently with such Assignment and Assumption and (C) upon such payment and, if so requested by the assignee Lender, delivery to the assignee Lender of the appropriate Note or Notes executed by the applicable Borrower, the assignee Lender shall become a Lender hereunder and the assigning Lender shall cease to constitute a Lender hereunder with respect to such assigned Loans, Commitments and participations, except with respect to indemnification provisions under this Agreement, which shall survive as to such assigning Lender. In connection with any such replacement, if any such Lender does not execute and deliver to the Administrative Agent a duly executed Assignment and Assumption reflecting such replacement within five Business Days of the date on which the assignee Lender executes and delivers such Assignment and Assumption to such Lender, then such Lender shall be deemed to have executed and delivered such Assignment and Assumption without any action on the part of the Lender.

(j) Notwithstanding anything to the contrary contained above, any Lender that acts as an L/C Issuer may not be replaced hereunder at any time that it has any Letter of Credit outstanding hereunder unless arrangements reasonably satisfactory to such L/C Issuer (including the furnishing of a back-up standby letter of credit in form and substance, and issued by an issuer, reasonably satisfactory to such L/C Issuer or Cash Collateral) have been made in respect of such outstanding Letters of Credit and the Lender that acts as the Administrative Agent may not be replaced hereunder except in accordance with the terms of Section 9.06 .

(k) In the event that (i) the Borrower Representative or the Administrative Agent have requested that the Lenders consent to a departure or waiver of any provisions of the Loan Documents or agree to any amendment thereto, (ii) the consent, waiver or amendment in question requires the agreement of each affected Lender or each Lender of a Class in accordance with the terms of Section 10.01 or an Affected Class or all Lenders holding Term Loans subject to a Permitted Repricing Amendment and (iii) the Required Lenders (and, in the case of a consent, waiver or amendment (1) involving all of an Affected Class, at least 50.1% of such Affected Class or (2) involving a Permitted Repricing Amendment, all other Lenders holding a tranche of Term Loans subject to such repricing that will continue as repriced or modified Term Loans) have agreed to such consent, waiver or amendment, then any Lender who does not agree to such consent, waiver or amendment shall be deemed a " **Non-Consenting Lender** ."

Section 3.08. Survival . All of the Borrowers' obligations under this Article III shall survive termination of the Aggregate Commitments and repayment of all other Obligations hereunder.

ARTICLE IV

CONDITIONS PRECEDENT TO CREDIT EXTENSIONS

Section 4.01. Conditions to Initial Credit Extension . The obligation of each Lender to make a Credit Extension hereunder on the Closing Date is subject solely to the satisfaction or waiver by the Lead Arranger of the following conditions (in each case, subject to the Certain Funds Provisions):

(o) The Administrative Agent's receipt of the following, each of which shall be original, .pdf or facsimile copies or delivered by other electronic method (followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of the signing Loan Party each in form and substance reasonably satisfactory to the Administrative Agent:

(x) a Committed Loan Notice, executed by the Administrative Agent and a Responsible Officer of each Borrower and in accordance with the requirements hereof;

(xi) counterparts of this Agreement executed by each Loan Party;

(xii) a Note executed by the Borrowers in favor of each Lender that has requested a Note at least two Business Days in advance of the Closing Date;

(xiii) each Collateral Document and each other document set forth on Schedule 4.01(a) required to be executed on the Closing Date as indicated on such schedule, duly executed by each Loan Party thereto, together with:

(A) certificates, if any, representing the Pledged Equity referred to therein accompanied by undated stock or membership interest powers executed in blank and instruments, if any, evidencing the Pledged Debt indorsed in blank; and

(B) proper financing statements (Form UCC-1 or the equivalent) for filing under the UCC or other appropriate filing offices of each jurisdiction as may be necessary to perfect the security interests purported to be created by the foregoing Security Agreement;

(xiv) (A) a completed Perfection Certificate dated the Closing Date and signed by a Responsible Officer of the Borrower Representative, together with all attachments contemplated thereby and (B) the results of a search of the Uniform Commercial Code filings (or equivalent filings), judgments and taxes made with respect to the Loan Parties in the states (or other jurisdictions) of formation of such Persons, in which the chief executive office of each such Person is located and in such other jurisdictions as may be reasonably required by the Administrative Agent, together with copies of the financing statements (or similar documents) disclosed by such search, and accompanied by evidence satisfactory to the Administrative Agent that the Liens indicated in any such financing statement (or similar document) would be permitted under Section 7.01 or have been or will be contemporaneously released or terminated;

(xv) such certificates of good standing from the applicable secretary of state of the state of organization of each Loan Party, copies of resolutions or other corporate or limited liability company action, incumbency certificates and/or other certificates of Responsible Officers of each Loan Party (including a certificate attaching the Organization Documents of each Loan Party) as the Administrative Agent may reasonably require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Loan Party is a party or is to be a party on the Closing Date, and the use of commercially reasonable efforts to provide evidence of insurance;

(xvi) opinions from (A) Perkins Coie LLP, as counsel to the Loan Parties and (B) Shuttleworth & Ingersol, as Iowa counsel to the Loan Parties, in each case, in form and substance reasonably satisfactory to the Administrative Agent;

(xvii) a certificate dated the Closing Date and signed by a Responsible Officer of the Borrower, confirming satisfaction of the conditions set forth in clause (f) below; and

(xviii) a solvency certificate from the chief financial officer of Holdings substantially in the form attached hereto as Exhibit D ;

provided , *however* , that, each of the requirements set forth in clause (iv) above, including the delivery of documents and instruments necessary to satisfy the Collateral and Guarantee Requirement (except to the extent that a Lien on or security interest in such Collateral may be perfected solely (x) by the filing of a financing statement under the Uniform Commercial Code or (y) by the delivery of stock certificates of the Borrowers and the Guarantors to the extent possession of such stock certificates or other certificates perfects a security interest therein, together with undated stock powers executed in blank or (z) by a filing with the United States Patent and Trademark Office or the United States Copyright Office) shall not constitute conditions precedent to any Credit Extension on the Closing Date after the Borrowers' use of commercially reasonable efforts to provide such items on or prior to the Closing Date if the Borrowers agree to deliver, or cause to be delivered, such search results, documents and instruments, or take or cause to be taken such other actions as may be required to perfect such security interests within 90 days after the Closing Date (subject to extensions approved by the Administrative Agent in its reasonable discretion).

(p) All fees required to be paid on the Closing Date pursuant to the Fee Letter and (b) all fees and expenses required to be paid on the Closing Date pursuant to the Commitment Letter to the extent invoiced at least one business day prior to the Closing Date (the " **Invoice Date** "), shall have been paid (which amounts may be offset against the proceeds of the Facilities on the Closing Date).

(q) The Refinancing shall have been or, substantially concurrently with the initial Borrowing hereunder shall be, consummated pursuant to customary pay-off documentation and all commitments relating thereto shall have been terminated, and all liens or security interests related thereto shall have been terminated or released. On the Closing Date, after giving effect to the Refinancing, no Consolidated Party shall have (i) any third party indebtedness for borrowed money other than the Facilities and Indebtedness permitted

pursuant to Section 7.03(b) or (ii) any Disqualified Equity Interests.

(r) The Acquisition shall have been or, substantially concurrently with the initial Borrowing hereunder shall be, consummated in accordance with the terms of the Acquisition Agreement, without giving effect to any modifications, amendments, waivers or consents thereto that are materially adverse to the Lenders without the prior written consent of the Administrative Agent (such consent not to be unreasonably withheld, conditioned or delayed) (it being understood and agreed that (a) any decrease in the purchase price not in excess of 15% of the total purchase price shall not be materially adverse to the interests of the Lenders so long as such decrease is allocated to reduce the Term Loans on a dollar-for-dollar basis, (b) any increase in the purchase price shall be deemed to be materially adverse to the Lenders unless such increase is funded with net cash proceeds of the issuance of Equity Interests of Holdings and (c) any modifications to Section 7.10 of (or any other provision that would have the effect of modifying Section 7.10 and the provisions thereof), or the definition of Closing Date Material Adverse Effect in, the Acquisition Agreement shall be deemed to be materially adverse to the interests of the Lenders).

(s) (i) Since December 31, 2014, there shall not have been a material adverse change or any development involving a prospective material adverse change in, or affecting, the business, condition (financial or otherwise), operations, performance, properties or prospects of Parent, Baseball, Holdings and their subsidiaries, taken as a whole, and (ii) since October 14, 2015, no Closing Date Material Adverse Effect shall have occurred.

(t) The Acquisition Agreement Representations shall be true and correct to the extent required by the Certain Funds Provision and the Specified Representations shall be true and correct in all material respects, in each case as of the Closing Date (except in the case of any Acquisition Agreement Representation or Specified Representation which expressly relates to a given date or period, for which such representation and warranty shall be true and correct in all material respects as of the respective date or for the respective period, as the case may be).

(u) The Arranger shall have received the Annual Financial Statements, the Quarterly Financial Statements and the Pro Forma Financial Statements.

(v) The Equity Contribution shall have been or, substantially concurrently with the initial borrowing under the Facilities shall be, consummated.

(w) The Administrative Agent shall have received at least three Business Days prior to the Closing Date all documentation and other information about Parent and its Subsidiaries required under applicable "know your customer" and anti-money laundering rules and regulations, including the USA Patriot Act that has been requested by the Administrative Agent in writing at least ten Business Days prior to the Closing Date.

(x) The Lead Arranger shall have been afforded a period of time to syndicate the Facilities of at least fifteen (15) consecutive Business Days from the date of the delivery by the Borrowers, or on their behalf, of the Annual Financial Statements, the Quarterly Financial Statements and the Pro Forma Financial Statements and the confidential information memoranda referred to in the Commitment Letter and ending on the business day immediately prior to the Closing Date (such period, the " Marketing Period "); provided that any day from and including November 26, 2015, through and including November 29, 2015, and any day from and including December 24, 2015, through and including January 3, 2016, will not be considered a Business Day.

(y) HDV Holdings shall have received from FINRA a decision as specified in NASD Rule 1017 granting approval with respect to the transactions contemplated by the Acquisition Agreement and the change of indirect owners of the BD Subsidiary with only such material restrictions or conditions to which Baseball and the Lead Arranger shall have agreed are acceptable, which approval shall not have been revoked.

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

Section 4.02. Conditions to All Credit Extensions after the Closing Date . The obligation of each Lender to honor any Request for Credit Extension after the Closing Date (other than a Committed Loan Notice requesting only a conversion of Loans to the other Type, or a continuation of Eurodollar Rate Loans) is subject to satisfaction or waiver of the following conditions precedent:

(i) The representations and warranties of each Loan Party set forth in Article V and in each other Loan Document shall be true and correct in all material respects on and as of the date of such Credit Extension 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 they shall be true and correct in all material respects as of such earlier date; *provided* that any representation and warranty that is qualified as to "materiality," "Material Adverse Effect" or similar language shall be true and correct in all respects on the date of such Credit Extension or on such earlier date, as the case may be.

(ii) No Default or Event of Default shall exist or would result from such proposed Credit Extension or from the application of the proceeds therefrom.

(iii) The Administrative Agent and, if applicable, the relevant L/C Issuer or the Swing Line Lender, shall have received a Request for Credit Extension in accordance with the requirements hereof.

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

Notwithstanding anything in this Section 4.02 to the contrary, to the extent that the proceeds of Incremental Term Loans are to be used to finance a Limited Condition Transaction permitted hereunder, the only conditions precedent to the funding of such Incremental Term Loans shall be the conditions precedent set forth in the related Incremental Amendment.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

Each Holding Company, each Borrower and each of the Subsidiary Guarantors party hereto represents and warrants to the Agents and the Lenders at the time of each Credit Extension (to the extent required to be true and correct for such Credit Extension pursuant to Article IV , and limited on the Closing Date to the Specified Representations) that:

Section 5.01. Existence, Qualification and Power; Compliance with Laws . Each Loan Party and each Restricted Subsidiary (a) is a Person duly organized or formed, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or organization to the extent such concept exists in such jurisdiction, (b) has all requisite organizational power and authority to (i) own or lease its assets and carry on its business as currently conducted and (ii) in the case of the Loan Parties, execute, deliver and perform its obligations under the Loan Documents to which it is a party, (c) is duly qualified and in good standing (where relevant) under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification, (d) is in compliance with all Laws, orders, writs and injunctions and (e) has all requisite governmental licenses, authorizations, consents and approvals to operate its business as currently conducted; except in each case, referred to in clauses (a) (other than with respect to the Holding Companies and the Borrowers), (b) (i) (other than with respect to the Borrowers), (c) , (d) or (e) , to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect. The BD Subsidiary and each other Subsidiary of the Borrowers that is an investment adviser or broker-dealer is duly registered and in good standing with (i) the Securities and Exchange Commission (unless otherwise exempt or excluded from a registration requirement), (ii) the states in which it does business, and (iii) any other government or industry self-regulatory organization, except in the case of (ii) and (iii) where a failure to be so registered or qualified could not reasonably be expected to result in a Material Adverse Effect.

Section 5.02. Authorization; No Contravention . The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is a party, and the consummation of the Transactions, (a) are within such Loan Party's corporate or other powers, (b) have been duly authorized by all necessary corporate or other organizational action, and (c) do not (i) contravene the terms of any of such Person's Organization Documents, (ii) conflict with or result in any breach or contravention of, or the creation of any Lien under (other than as permitted by Section 7.01), or require any payment to be made under (x) any Contractual Obligation to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries or (y) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (iii) violate any Law; except with respect to any conflict, breach or contravention or payment (but not creation of Liens) referred to in clauses (ii) and (iii) , to the extent that such violation, conflict, breach, contravention or payment would not reasonably be expected to have a Material Adverse Effect.

Section 5.03. Governmental Authorization . No approval, consent, exemption, authorization, or other action by or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document or for the consummation of the Transactions, the grant by any Loan Party of the Liens granted by it pursuant to the Collateral Documents, the perfection or maintenance of the Liens created under the Collateral Documents (including the priority thereof) or the exercise by the Administrative Agent or any Lender of its rights under the Loan Documents or the remedies in respect of the Collateral pursuant to the Collateral Documents, except for (i) approval, consent, exemption, authorization, or other action by, or notice to, or filing necessary to perfect the Liens on the Collateral granted by the Loan Parties in favor of the Secured Parties (or release existing Liens) under applicable U.S. law, (ii) the approvals, consents, exemptions, authorizations, actions, notices and filings which have been duly obtained, taken, given or made and are in full force and effect (except to the extent not required to obtained, taken, given or made or in full force and effect pursuant to the Collateral and Guarantee Requirement) and (iii) those approvals, consents, exemptions, authorizations or other actions, notices or filings, the failure of which to obtain or make would not reasonably be expected to have a Material Adverse Effect.

Section 5.04. Binding Effect. This Agreement and each other Loan Document has been duly executed and delivered by each Loan Party that is a party thereto. This Agreement and each other Loan Document constitutes, a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party that is a party thereto in accordance with its terms, except as such enforceability may be limited by

(i) Debtor Relief Laws and by general principles of equity, (ii) the need for filings and registrations necessary to create or perfect the Liens on the Collateral granted by the Loan Parties in favor of the Secured Parties and (iii) the effect of foreign Laws, rules and regulations as they relate to pledges of Equity Interests in or Indebtedness owed by Foreign Subsidiaries (clauses (i) , (ii) and (iii) , the " **Enforcement Qualifications** ").

Section 5.05. Financial Statements; No Material Adverse Effect; No Default .

(l) The Annual Financial Statements and the Quarterly Financial Statements and any financial statements delivered pursuant to Section 6.01(a) and (b) fairly present in all material respects the financial condition of the Consolidated Parties as of the dates thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the periods covered thereby, (A) except as otherwise expressly noted therein and (B) subject, in the case of the Quarterly Financial Statements, to changes resulting from normal year-end adjustments and the absence of footnotes.

(m) The unaudited pro forma consolidated balance sheet (the " **Pro Forma Balance Sheet** ") and related pro forma consolidated statements of income of the Consolidated Parties as of and for the twelve-month period ended September 30, 2015 (and any subsequent fiscal quarter of HDV Holdings ended at least 45 days prior to the Closing Date), prepared after giving effect to the Transactions as if the Transactions had occurred as of such date (in the case of such balance sheet) or at the beginning of such period (in the case of such other statement of income), without giving effect to purchase accounting (the " **Pro Forma Financial Statements** "), a copy of which has heretofore been furnished to the Arranger.

(n) Since December 31, 2014, 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.

(o) As of the Closing Date, none of Holdings and its Subsidiaries has any Indebtedness or other obligations or liabilities, direct or contingent (other than (i) obligations arising under the Loan Documents and (ii) liabilities incurred in the ordinary course of business that, either individually or in the aggregate, have not had nor could reasonably be expected to have a Material Adverse Effect).

(p) No Default or Event of Default has occurred or is continuing. None of Borrower or any Restricted Subsidiary is in default under any provision of any agreement or instrument to which it is a party, and no condition exists which, with the giving of notice or the lapse of time or both, would constitute such a default, other than in each case as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 5.06. Litigation . Except as set forth on Schedule 5.06 , there are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of any Borrower, threatened in writing, at law, in equity, in arbitration or before any Governmental Authority, by or against any Consolidated Party or against its properties or revenues that either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

Section 5.07. Ownership of Property; Liens . Each Consolidated Party has good record title to, or valid leasehold interests in, or easements or other limited property interests in, all Real Property necessary in the ordinary conduct of its business, free and clear of all Liens except (a) as set forth on Schedule 5.07 , (b) minor defects in title that do not materially interfere with its ability to conduct its business or to utilize such assets for their intended purposes, (c) Liens permitted by Section 7.01 and (d) where the failure to have such title would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 5.08. Environmental Matters . Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect:

(a) each Loan Party and its respective properties and operations are and for the past five years, have been in compliance with all Environmental Laws, which includes obtaining and maintaining all applicable Environmental Permits required under such Environmental Laws to carry on the business of the Loan Parties;

(b) the Loan Parties have not received any written notice (i) that alleges any of them is in violation of or potentially liable under any Environmental Laws, (ii) that the Loan Parties or any of the Loan Parties' Real Property is the subject of any claim, investigation, lien, demand, or judicial, administrative or arbitral proceeding or (iii) to revoke or modify any Environmental Permit held by any of the Loan Parties, in each case with respect to clauses (i) , (ii) and (iii) above, that is pending or, to the knowledge of any Borrower, threatened in writing under any Environmental Law;

(c) there has been no Release of Hazardous Materials on, at, under or from (i) any Real Property or facilities owned, operated or leased by any of the Loan Parties, or (ii) to the knowledge of any Borrower, Real Property formerly owned, operated or leased by any Loan Party at any other location arising out of the conduct or current or prior operations of the Loan Parties that could, in any such case with respect to clauses (i) or (ii) above, reasonably be expected to require investigation, remedial activity or corrective action or cleanup or would reasonably be expected to result in the Loan Parties incurring Environmental Liability; and

(d) to the knowledge of any Borrower, there are no facts, circumstances or conditions arising out of or relating to the

operations of the Loan Parties or Real Property or facilities owned, operated or leased by any of the Loan Parties or Real Property or facilities formerly owned, operated or leased by the Loan Parties, that would reasonably be expected to result in the Loan Parties incurring Environmental Liability.

Section 5.09. Taxes . Each of the Loan Parties and their Subsidiaries have filed when due (taking into account timely and valid extensions) all federal tax returns and all other material tax returns required under applicable Law to be filed with any Governmental Authority, and have paid all Taxes shown as due and payable on such tax returns or otherwise due and payable, except those which are being contested in good faith and for which adequate reserves have been established in accordance with the GAAP. No Tax deficiency or assessment has been threatened in writing or, to the knowledge of the Loan Parties, made by any Governmental Authority against the Loan Parties.

Section 5.10. ERISA Compliance .

(a) As of the Closing Date, no Loan Party nor any ERISA Affiliate maintains of contributes to, or has any obligation under, any Plan other than those identified on Schedule 5.10 .

(b) Except as would not, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, each Plan is in compliance with the applicable provisions of ERISA, the Code and other Federal or state Laws.

(c) (i) No ERISA Event has occurred or is reasonably expected to occur; (ii) neither any Loan Party, Restricted Subsidiary nor any ERISA Affiliate has incurred, or reasonably expects to incur, any liability under Title IV of ERISA with respect to any Pension Plan (other than premiums due under Section 4007 of ERISA); (iii) neither any Loan Party, Restricted Subsidiary nor any ERISA Affiliate has incurred, or reasonably expects to incur, any liability (and no event has occurred which, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Section 4201 of ERISA with respect to a Multiemployer Plan; (iv) neither any Loan Party, Restricted Subsidiary nor any ERISA Affiliate has engaged in a transaction that would-be subject to Sections 4069 or 4212(c) of ERISA and (v) the present value of all accumulated benefit obligations under all Pension Plans (based on assumptions used for purposes of statement of Financial Accounting Standards No. 87) did not, as of the most recent valuation date, exceed the fair market value of the assets of such Pension Plans, in the aggregate; except, with respect to each of the foregoing clauses of this Section 5.10(c) , as would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

(d) With respect to each Foreign Plan, none of the following events or conditions exists and is continuing that, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect: (i) substantial non-compliance with its terms and with the requirements of any and all applicable laws, statutes, rules, regulations and orders; (ii) failure to be maintained, where required, in good standing with applicable regulatory authorities; (iii) any obligation of a Loan Party or its Restricted Subsidiaries in connection with the termination or partial termination of, or withdrawal from, any Foreign Plan; (iv) any Lien on the property of a Loan Party or its Restricted Subsidiaries in favor of a Governmental Authority as a result of any action or inaction regarding a Foreign Plan; (v) for each Foreign Plan that is a funded or insured plan, failure to be funded or insured on an ongoing basis to the extent required by applicable non-U.S. law (using actuarial methods and assumptions which are consistent with the valuations last filed with the applicable Governmental Authorities); (vi) any facts that, to the best knowledge of the Loan Party or any of its Restricted Subsidiaries, exist that would reasonably be expected to give rise to a dispute and any pending or threatened disputes that, to the best knowledge of the Loan Party or any of its Restricted Subsidiaries, would reasonably be expected to result in a material liability to the Loan Party or any of its Restricted Subsidiaries concerning the assets of any Foreign Plan (other than individual claims for the payment of benefits); and (vii) failure to make all contributions in a timely manner to the extent required by applicable non-U.S. law (each of the events described in clauses (i) through (vii) hereof are hereinafter referred to as a " ***Foreign Plan Event*** ").

Section 5.11. Use of Proceeds .

(i) The proceeds of the Initial Term Loans will be used on the Closing Date *first* , to effect the Refinancing, *second* , to pay costs and expenses relating to the Transactions, and *third* , after the use of the proceeds of the Equity Contribution, to pay the consideration for the Acquisition.

(j) The proceeds of Revolving Credit Loans will be used for working capital, capital expenditures and for other general corporate purposes of the Borrowers and their restricted Subsidiaries (including for capital expenditures, acquisitions, working capital and/or purchase price adjustments, the payment of transaction fees and expenses (inlcuding in connection with the Acquisition), other investments and other purposes not prohibited by the Loan Documents); provided that no Restricted Payments shall be permitted with the proceeds of Revolving Credit Loans other than pursuant to Section 7.06(g) .

Section 5.12. Margin Regulations; Investment Company Act .

(e) The Borrowers are not engaged and will not engage, principally or as one of their important activities, in the business of purchasing or carrying Margin Stock except as permitted by Regulation T with respect to proprietary accounts of the BD Subsidiary for the benefit of bona fide third parties, or extending credit for the purpose of purchasing or carrying Margin Stock, and no proceeds of any Borrowings or drawings under any Letter of Credit will be used for any purpose that violates Regulation T, U or X of the Board of Governors

of the United States Federal Reserve System.

(f) No Consolidated Party is or is required to be registered as an "investment company" under the Investment Company Act of 1940.

Section 5.13. Disclosure . No report, financial statement, certificate or other written information furnished by or on behalf of any Loan Party (other than projected financial information, *pro forma* financial information, budgets, estimates and information of a general economic or industry nature) to any Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or any other Loan Document (as modified or supplemented by other information so furnished) when taken as a whole contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein (when taken as a whole), in the light of the circumstances under which they were made, not materially misleading. With respect to projected financial information and *pro forma* financial information, the Borrowers represent that such information was prepared in good faith based upon assumptions believed to be reasonable at the time such information was furnished, it being understood that such projected financial information and *pro forma* financial information are not to be viewed as facts or as a guarantee of performance or achievement of any particular results and that actual results may vary from such forecasts and that such variations may be material and that no assurance can be given that the projected results will be realized.

Section 5.14. Labor Matters . As of the Closing Date, except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect: (a) there are no strikes or other labor disputes against any Consolidated Party pending or, to the knowledge of any Borrower, threatened; (b) hours worked by and payment made to employees of any Consolidated Party have not been in violation of the Fair Labor Standards Act or any other applicable Laws dealing with such matters; and (c) all payments due from any Consolidated Party on account of employee health and welfare insurance have been paid or accrued as a liability on the books of the relevant party.

Section 5.15. Intellectual Property; Licenses, Etc . The Consolidated Parties own, without restriction, free and clear of all Liens other than Liens permitted by Section 7.01 , license or possess the right to use all of the trademarks, service marks, trade names, domain names, copyrights, patents, patent rights, licenses, technology, software, know-how database rights, design rights and other intellectual property rights (collectively, " **IP Rights** ") that are reasonably necessary for the operation of their respective businesses as currently conducted, except to the extent the absence of such IP Rights or the existence of such Liens permitted by Section 7.01 , in each case, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. To the knowledge of any Borrower, no IP Rights, advertising, product, process, method, substance, part or other material used by any Loan Party or any of the Restricted Subsidiaries in the operation of their respective businesses as currently conducted infringes upon any rights held by any Person except for such infringements, individually or in the aggregate, which would not reasonably be expected to have a Material Adverse Effect. No claim or litigation regarding any IP Rights, is pending or, to the knowledge of any Borrower, threatened against any Loan Party or any of the Restricted Subsidiaries, which, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

Section 5.16. Solvency . On the Closing Date, after giving effect to the Transactions and the incurrence of the Indebtedness and obligations being incurred in connection with this Agreement and the Transactions, each Borrower and its Restricted Subsidiaries, taken as a whole, is Solvent.

Section 5.17. USA Patriot Act; OFAC; FCPA .

(a) To the extent applicable, each of Parent, Holdings and its Subsidiaries is in compliance, in all material respects, with (i) the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto and (ii) the USA Patriot Act.

(b) None of Parent, Holdings or any of its Subsidiaries or, to the knowledge of Holdings or the Borrowers, any director or officer of Parent, Holdings or any of its Subsidiaries is the subject or target of any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department (" **OFAC** ") or any other relevant U.S. or foreign Governmental Authority which administers applicable economic or financial sanctions; and the Borrowers will not use the proceeds of the Loans or otherwise make available such proceeds to any Person, for the purpose of financing the activities of any Person who is the subject or target of any U.S. sanctions administered by OFAC or such other relevant Governmental Authority, to the extent prohibited by U.S. sanctions administered by OFAC or such other relevant Governmental Authority.

(c) No part of the proceeds of the Loans will be used, directly or, to the knowledge of the Borrowers, 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, as amended.

Section 5.18. Security Documents . Except as otherwise contemplated hereby or under any other Loan Documents, the provisions of the Collateral Documents, together with such filings and other actions required to be taken hereby or by the applicable Collateral Documents (including the delivery to Administrative Agent of any Pledged Debt and any Pledged Equity required to be delivered pursuant to

the applicable Collateral Documents), are effective to create in favor of the Collateral Agent for the benefit of the Secured Parties, a legal, valid, enforceable and first-priority perfected Lien on all right, title and interest of the respective Loan Parties in the Collateral described therein subject to the Enforcement Qualifications and Liens permitted by Section 7.01 .

Notwithstanding anything herein (including this Section 5.18) or in any other Loan Document to the contrary, neither Holdings nor any other Loan Party makes any representation or warranty as to (A) the pledge or creation of any security interest, or the effects of perfection or non-perfection, the priority or the enforceability of any pledge of or security interest to the extent such pledge, security interest, perfection or priority is not required pursuant to the Collateral and Guarantee Requirement or (B) on the Closing Date and until required pursuant to Section 6.13 or 4.01(a)(iv) , the pledge or creation of any security interest, or the effects of perfection or non-perfection, the priority or enforceability of any pledge or security interest to the extent not required on the Closing Date pursuant to Section 4.01(a)(iv) .

Section 5.19. Senior Indebtedness . The Obligations constitute "Senior Indebtedness" (or any comparable term) under and as defined in the documentation governing any Indebtedness that is subordinated in right of payment to the Obligations.

Section 5.20. Regulated Entities .

(a) None of any Loan Party, any Person controlling any Loan Party, or any Subsidiary of any Loan Party, is (i) an "investment company" or a person "controlled" by an "investment company," each within the meaning of the Investment Company Act of 1940 or (ii) subject to regulation under the Federal Power Act, the Interstate Commerce Act, any state public utilities code, or any other federal or state statute, rule or regulation limiting its ability to incur Indebtedness, pledge its assets or perform its obligations under the Loan Documents.

(b) The BD Subsidiary and any other Domestic Subsidiary that is engaged in providing broker-dealer services and is not otherwise exempt or excluded from a registration requirement is a member in good standing of FINRA and is duly registered (i) as a broker-dealer with the SEC, (ii) in each state where the conduct of its broker-dealer business requires such registration and (iii) with each other applicable governing body where the conduct of its broker-dealer business requires such registration. No Loan Party is subject to regulation under any Law (other than Regulation X of the Federal Reserve Board) that prohibits its borrowing of the Loans under the provisions hereof.

(c) The BD Subsidiary and any other Domestic Subsidiary that is engaged in providing broker-dealer services is a broker and dealer subject to the provisions of Regulation T of the Federal Reserve Board and does not extend or maintain credit to or for its customers within the meaning Regulation T of the Federal Reserve Board.

(d) The Advisory Services Subsidiary and any other Domestic Subsidiary that is engaged in providing investment advisory services and is not otherwise exempt or excluded from a registration requirement is duly registered (i) under the Investment Advisers Act as an investment adviser and is thus not required to be registered as an investment adviser in the various states and (ii) with each other applicable governing body where the conduct of its investment advisory business request such registration.

Section 5.21. Subsidiaries; Equity Interests . As of the Closing Date (after giving effect to the Transactions), no Loan Party has any Subsidiaries other than those specifically disclosed in Schedule 5.21 , and all of the outstanding Equity Interests owned by the Loan Parties (or a Subsidiary of any Loan Party) in such Subsidiaries have been validly issued and are fully paid and all Equity Interests owned by a Loan Party in such Subsidiaries (other than Immaterial Subsidiaries) are owned free and clear of all Liens except (i) those created under the Collateral Documents and (ii) any Lien that is permitted under Section 7.01 . As of the Closing Date, Sections IA and IIA of the Perfection Certificate (a) set forth the name and jurisdiction of each Domestic Subsidiary that is a Loan Party and (b) set forth the ownership interest of each Holding Company, each Borrower and any other Guarantor in each wholly owned Subsidiary (other than Immaterial Subsidiaries), including the percentage of such ownership.

Section 5.22. Interim Matters . From October 14, 2015, through and including the Closing Date, no Loan Party has entered into or permitted any of its Subsidiaries to enter into any agreement in connection with or consummated any merger, acquisition, disposition, business combination, joint venture or other strategic transaction (other than the Acquisition and the other Transactions), in each case without the consent of the Lead Arranger.

ARTICLE VI

AFFIRMATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation (other than contingent obligations not yet due and owing and obligations under Treasury Services Agreements or Secured Hedge Agreements) hereunder which is accrued and payable shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding (unless the Outstanding Amount of the L/C Obligations related thereto has been Cash Collateralized or a backstop letter of credit reasonably satisfactory to the applicable L/C Issuer is in place), then after the Closing Date, the Borrowers and (solely in the case of Sections 6.04 , 6.05 , 6.08 , 6.09 , 6.10 , 6.11 and 6.13) each Holding Company shall and shall cause each of their respective Restricted Subsidiaries to:

Section 6.01. Financial Statements .

(i) Deliver to the Administrative Agent for prompt further distribution to each Lender, within 90 days after the end of each fiscal year, (i) unaudited financial statements including balance sheets, statements of income and cash flows of (A) Holdings and its Subsidiaries (including HDV Holdings and its Subsidiaries), on a consolidated and consolidating basis (reflecting the adjustments necessary to eliminate the accounts of Unrestricted Subsidiaries (if any) (which may be in footnote form only) from such financial statements), (B) TaxACT and its Material Subsidiaries, on a consolidated and consolidating basis, and (C) HDVest and its Material Subsidiaries, on a consolidated and consolidating basis; *provided* that consolidating statements of cash flows for HDVest and its Material Subsidiaries shall not be required, in each case, for such fiscal year and, if applicable, containing disclosure of the effect on the financial position or results of operations of any change in the application of accounting principles and practices during such year, together with a reconciliation of such financial statements with the segment reporting of the "Tax Preparation" business (however defined), the "HDVest" business (however defined) and any other segment applicable to the businesses of Holdings and its Subsidiaries, in each case as set forth in Parent's Form 10-K filed with the SEC for the corresponding period, and setting forth in comparative form the corresponding figures as of the end of and for the preceding fiscal year and prepared in accordance with GAAP, (ii) at the request of the Administrative Agent during any fiscal year in which (A) Holdings or any Borrower is not classified as a material Subsidiary of Parent in accordance with GAAP, and as a result of such classification, Holdings' operations are not reported on a segment basis in the audited financial statements of Parent delivered in accordance with clause (i) above or (B) either (1) Parent has not filed a Form 10-K with the SEC for such fiscal year, (2) such Form 10-K of the Parent is not accompanied by an opinion of an independent registered public accounting firm of nationally recognized standing in accordance with generally accepted auditing standards or (3) such Form 10-K of the Parent is accompanied by such an opinion, but such opinion is subject to "going concern" explanatory language (other than solely as a result of the debt maturity of any Obligations within the next 90 days) or any qualification or exception as to the scope of such audit, in each case of clauses (A) or (B) within 30 days of such request, an audited consolidating financial statement of Holdings and its Subsidiaries, to include balance sheet, statements of income, retained earnings and cash flows including the notes thereto, all in reasonable detail (together with, in all cases, customary management discussion and analysis) and prepared in accordance with GAAP, audited and accompanied by a report and opinion of an independent registered public accounting firm of nationally recognized standing, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" explanatory language (other than solely as a result of the debt maturity of any Obligations within the next 90 days) or any qualification or exception as to the scope of such audit, (iii) the number of Investment Advisers engaged by the Parent or its Subsidiaries as of the end of such fiscal year and (iv) the AUM as of the end of such fiscal year;

(j) Deliver to the Administrative Agent for prompt further distribution to each Lender, within 45 days after the end of each of the first three fiscal quarters of each fiscal year of Parent, (i) unaudited financial statements (to include balance sheets, statements of income, and cash flows) (A) Holdings and its Subsidiaries (including HDV Holdings and its Subsidiaries), on a consolidated and consolidating basis (reflecting the adjustments necessary to eliminate the accounts of Unrestricted Subsidiaries (if any) (which may be in footnote form only) from such financial statements), (B) TaxACT and its Material Subsidiaries, on a consolidated and consolidating basis, and (C) HDVest and its Material Subsidiaries, on a consolidated and consolidating basis; *provided* that consolidating statements of cash flows for HDVest and its Material Subsidiaries shall not be required, in each case, for such fiscal quarter and for the portion of the fiscal year then ended and, if applicable, containing disclosure of the effect on the financial position or results of operations of any change in the application of accounting principles and practices during such quarter, together with a reconciliation of such financial statements with the segment reporting of the "Tax Preparation" business (however defined) and any other segment applicable to the businesses of Holdings and its Subsidiaries, in each case as set forth in Parent's Form 10-Q filed with the SEC for the corresponding period, and setting forth, starting with the fiscal quarter ending December 31, 2016, in comparative form the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year and prepared in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes, (ii) at the request of the Administrative Agent during any fiscal quarter in which (A) Holdings or any Borrower is not classified as a material Subsidiary of Parent in accordance with GAAP, and as a result of such classification, Holdings' operations are not reported on a segment basis in the unaudited financial statements of Parent delivered in accordance with clause (i) above or (B) Parent has not filed a Form 10-Q with the SEC for such fiscal quarter, in each case of clauses (A) and (B), an unaudited consolidated and consolidating financial statement of Holdings and its Subsidiaries, to include balance sheet, statements of income, retained earnings and cash flows including the notes thereto, all in reasonable detail and prepared in accordance with GAAP, (iii) the number of Investment Advisers engaged by the Parent or its Subsidiaries as of the end of such fiscal quarter and (iv) the AUM as of the end of such fiscal quarter, all in reasonable detail and certified by a Responsible Officer of Holdings as fairly presenting in all material respects the financial condition, results of operations and cash flows of the Consolidated Parties in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes; and

(k) Deliver to the Administrative Agent for prompt further distribution to each Lender, no later than 60 days after the end of each fiscal year, a detailed consolidated budget of the Consolidated Parties for the following fiscal year on a quarterly basis (including a projected consolidated balance sheet of the Consolidated Parties as of the end of the following fiscal year, the related consolidated statements of projected cash flow and projected income and a summary of the material underlying assumptions applicable thereto) (collectively, the " **Projections** "), which Projections shall in each case be accompanied by a certificate of a Responsible Officer stating that such Projections have been prepared in good faith on the basis of the assumptions stated therein, which assumptions were believed by such Responsible Officer to be reasonable at the time such Projections were furnished, it being understood that such Projections are not to be viewed as facts or as a guarantee of performance or achievement of any particular results and that actual results may vary from such Projections and that such

variations may be material and that no assurance can be given that the projected results will be realized.

Documents required to be delivered pursuant to Sections 6.01 and 6.02(a) through (d) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which Holdings (or any direct or indirect parent of Holdings) posts such documents, or provides a link thereto on the website on the Internet at the website address listed on Schedule 10.02 ; or (ii) on which such documents are posted on the Borrowers' behalf on IntraLinks or another relevant website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); *provided* that the Borrower Representative shall notify (which may be by facsimile or electronic mail) the Administrative Agent of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. Notwithstanding anything contained herein, in every instance the Borrower Representative shall be required to provide paper copies of the Compliance Certificates required by Section 6.02(a) to the Administrative Agent (which may be electronic copies delivered via electronic mail). Each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of paper copies of such documents from the Administrative Agent and maintaining its copies of such documents.

The Borrowers hereby acknowledge that (a) the Administrative Agent and/or the Arranger will make available to the Lenders and the L/C Issuers materials and/or information provided by or on behalf of the Borrowers hereunder (collectively, " **Borrower Materials** ") by posting the Borrower Materials on IntraLinks or another similar electronic system (the " **Platform** ") and (b) certain of the Lenders (each, a " **Public Lender** ") may have personnel who do not wish to receive Material Non-Public Information and who may be engaged in investment and other market-related activities with respect to such Persons' securities. The Borrowers hereby agree that so long as Holdings (or any direct or indirect parent thereof that is the registrant with respect to a Qualified IPO), the Borrowers or their Subsidiaries is the issuer of any outstanding debt or equity securities that are registered or issued pursuant to a private offering it will (and at any time it may) identify that portion of the Borrower Materials that may be distributed to the Public Lenders and that (w) all such Borrower Materials shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," the Borrowers shall be deemed to have authorized the Administrative Agent, the Arranger, the L/C Issuers and the Lenders to treat such Borrower Materials as not containing any Material Non-Public Information (although it may be sensitive and proprietary) (*provided* , *however* , that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 10.08); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information"; and (z) the Administrative Agent and the Arranger shall treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information." Notwithstanding the foregoing, the Borrowers shall be under no obligation to mark any Borrower Materials "PUBLIC"; *provided* , *however* , that the following Borrower Materials shall be deemed to be marked "PUBLIC" unless the Borrower Representative notifies the Administrative Agent promptly that any such document contains Material Non-Public Information: (1) the Loan Documents, (2) any notification of changes in the terms of the Facilities and (3) all information delivered pursuant to Sections 6.01(a) , 6.01(b) , 6.02(a) and 6.02(d)(i) . Notwithstanding anything herein to the contrary, unless the Borrowers otherwise notify the Administrative Agent, the list of Disqualified Lenders does not constitute Material Non-Public Information and shall be posted promptly to all Lenders.

Section 6.02. Certificates; Other Information . Deliver to the Administrative Agent for prompt further distribution to each Lender:

(d) no later than five days after the delivery of the financial statements referred to in Sections 6.01(a) and (b) , a duly completed Compliance Certificate signed by a Responsible Officer of the Borrower Representative;

(e) promptly after the same are publicly available, copies of all annual, regular, periodic and special reports and registration statements which Parent files with the SEC or with any Governmental Authority that may be substituted therefor (other than amendments to any registration statement (Governmental Authority to the extent such registration statement, in the form it became effective, is delivered), exhibits to any registration statement and, if applicable, any registration statement on Form S-8) and in any case not otherwise required to be delivered to the Administrative Agent pursuant to any other clause of this Section 6.02 ;

(f) upon written request of the Administrative Agent, copies of (i) each Schedule B (Actuarial Information) to the annual report (form 5500 Series) filed by any Loan Party, Restricted Subsidiaries or ERISA Affiliate with respect to any Pension Plan, (ii) all notices received by any Loan Party, Restricted Subsidiary or ERISA Affiliate from a Multiemployer Plan sponsor or ERISA Affiliate concerning an ERISA Event, and (iii) copies of such other documents or government reports or filings relating to any Pension Plan as the Administrative Agent may reasonably request;

(g) together with the delivery of each Compliance Certificate pursuant to Section 6.02(a) , (i) a description of each event, condition or circumstance during the last fiscal quarter or fiscal year covered by such Compliance Certificate requiring a mandatory prepayment under Section 2.05(b)(ii) or (b)(iii) and (ii) a list of each Subsidiary of Holdings that identifies each Subsidiary as a Restricted Subsidiary or an Unrestricted Subsidiary as of the date of delivery of such Compliance Certificate (to the extent that there have been any changes in the identity or status as a Restricted Subsidiary or Unrestricted Subsidiary of any such Subsidiaries since the Closing Date or the most recent list provided);

(h) promptly after the furnishing thereof, copies of any material written notices received by any Loan Party (other than in the ordinary course of business) or material statements or material reports furnished to any holder of debt securities (other than in connection

with any board observer rights) of any Loan Party or of any of its Restricted Subsidiaries pursuant to the terms of any documentation for Indebtedness of the type permitted to be incurred under Section 7.03(r) , in each case, in a principal amount in excess of the Threshold Amount and not otherwise required to be furnished to the Lenders pursuant to any other clause of Section 6.01 , 6.02 or 6.03 ;

(i) promptly after the furnishing thereof, copies of all "Focus- Part II" materials provided to, or any other material filing with, the SEC, in each case, pursuant to Rule 17a-5 under Section 17 of the Exchange Act; and

(j) promptly, such additional information regarding the business, legal, financial or corporate affairs of the Loan Parties or any of their respective Restricted Subsidiaries, or compliance with the terms of the Loan Documents, as the Administrative Agent or any Lender through the Administrative Agent may from time to time reasonably request.

In no event shall the requirements set forth in Section 6.02(e) require any Consolidated Party to provide any such information which (i) constitutes non-financial trade secrets or non-financial proprietary information, (ii) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by Law or (iii) is subject to attorney-client or similar privilege or constitutes attorney work-product.

Section 6.03. Notices . Promptly after a Responsible Officer of any Borrower has obtained knowledge thereof, notify the Administrative Agent:

(j) of the occurrence of any Default or Event of Default;

(k) of the occurrence of a Foreign Plan Event which would reasonably be expected to result in a Material Adverse Effect or an ERISA Event which would reasonably be expected to result in a Material Adverse Effect;

(l) of the filing or commencement of, or any threat or notice of intention of any person to file or commence, any action, suit, litigation or proceeding, whether at law or in equity by or before any Governmental Authority against any Consolidated Party that would reasonably be expected to result in a Material Adverse Effect;

(m) the making of any notification to the SEC required pursuant to Rules 17a-11 under Section 17 of the Exchange Act; and

(n) of the occurrence of any other matter or development that has had or would reasonably be expected to have a Material Adverse Effect.

Each notice pursuant to this Section 6.03 shall be accompanied by a written statement of a Responsible Officer of the Borrower Representative delivered to the Administrative Agent for prompt further distribution to each Lender (x) that such notice is being delivered pursuant to Section 6.03(a) , (b) , (c) , or (d) (as applicable) and (y) setting forth details of the occurrence referred to therein and stating what action the Borrower Representative has taken and proposes to take with respect thereto.

Section 6.04. Payment of Taxes . Pay, discharge or otherwise satisfy as the same shall become due and payable in the normal conduct of its business, all of its obligations and liabilities in respect of Taxes and similar claims imposed upon it or upon its income or profits or in respect of its property, except, in each case, to the extent any such Tax is being contested in good faith and by appropriate proceedings and with respect to which appropriate reserves have been established in accordance with GAAP.

Section 6.05. Preservation of Existence, Etc .

(d) Preserve, renew and maintain in full force and effect its legal existence under the Laws of the jurisdiction of its organization; and

(e) take all reasonable action to maintain all rights, privileges (including its good standing where applicable in the relevant jurisdiction), permits, licenses and franchises necessary or desirable in the normal conduct of its business and maintain and operate such business in substantially the manner in which it is presently conducted and operated, except, in the case of Section 6.05(a) (other than with respect to the Borrowers) or this Section 6.05(b) , to the extent (i) that failure to do so would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect or (ii) pursuant to any merger, consolidation, liquidation, dissolution or Disposition permitted by Article VII .

Section 6.06. Maintenance of Properties; Intellectual Property . Except if the failure to do so would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, maintain, preserve and protect (a) all of its material properties and equipment necessary in the operation of its business in good working order, repair and condition, ordinary wear and tear excepted and fire, casualty or condemnation excepted and (b) all of its IP Rights that are reasonably necessary for the operation of its business as currently conducted.

Section 6.07. Maintenance of Insurance . Maintain with insurance companies that each Borrower believes (in the good faith

judgment of its management) are financially sound and reputable at the time the relevant coverage is placed or renewed, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts (after giving effect to any self-insurance customary for similarly situated Persons engaged in the same or similar businesses as the Borrowers and their Restricted Subsidiaries) as are customarily carried under similar circumstances by such other Persons. Not later than 90 days after the Closing Date (or the date any such insurance is obtained, in the case of insurance obtained after the Closing Date), each such policy of insurance (other than business interruption insurance, director and officer insurance and worker's compensation insurance) shall as appropriate (i) name the Administrative Agent as additional insured thereunder or (ii) in the case of each casualty insurance policy, contain a loss payable clause or endorsement that names the Administrative Agent, on behalf of the Lenders, as loss payee thereunder. If the improvements on any Mortgaged Property are at any time located in an area identified by the Federal Emergency Management Agency (or any successor agency) as a special flood hazard area with respect to which flood insurance has been made available under the National Flood Insurance Act of 1968 (as now or hereafter in effect or successor act thereto), then, to the extent required by applicable Flood Insurance Laws, the Borrowers shall, or shall cause each Loan Party to, (i) maintain, or cause to be maintained, with a financially sound and reputable insurer, flood insurance in an amount reasonably satisfactory to the Administrative Agent and otherwise sufficient to comply with all applicable rules and regulations promulgated pursuant to the Flood Insurance Laws and (ii) upon the reasonable request of the Administrative Agent, deliver to the Administrative Agent evidence of such compliance in form and substance reasonably acceptable to the Administrative Agent.

Section 6.08. Compliance with Laws. Comply with the requirements of all Laws (including Anti-Money Laundering Laws, Anti-Corruption Laws and Sanctions Laws and Regulations) and all orders, writs, injunctions and decrees applicable to it or to its business or property, except if the failure to comply therewith would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. None of Parent or Holdings or any of its Subsidiaries nor, to the knowledge of the Borrowers, any director, officer, agent or employee of any of the foregoing, (i) is a Designated Person or (ii) is currently subject to any U.S. sanctions administered by OFAC.

Section 6.09. Books and Records. Maintain proper books of record and account, in which entries that are full, true and correct in all material respects and are in conformity with GAAP and which reflect all material financial transactions and matters involving the assets and business of each Consolidated Party (it being understood and agreed that certain Foreign Subsidiaries maintain individual books and records in conformity with general accepted accounting principles in their respective countries of organization and that such maintenance shall not constitute a breach of the representations, warranties or covenants hereunder).

Section 6.10. Inspection Rights. Permit representatives and independent contractors of the Administrative Agent and each Lender to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers and independent public accountants (subject to such accountants' customary policies and procedures), all at the reasonable expense of the Borrowers and at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to the Borrower Representative; *provided* that only the Administrative Agent on behalf of the Lenders may exercise rights of the Administrative Agent and the Lenders under this Section 6.10 and the Administrative Agent shall not exercise such rights more often than one time during any calendar year and such time shall be at the Borrowers' expense; *provided* , *further* , that during the continuation of an Event of Default, the Administrative Agent (or any of its respective representatives or independent contractors), on behalf of the Lenders, may do any of the foregoing at the expense of the Borrowers at any time during normal business hours and upon reasonable advance notice. The Administrative Agent shall give the Borrower Representative the opportunity to participate in any discussions with the Borrowers' independent public accountants. Notwithstanding anything to the contrary in this Section 6.10 , no Consolidated Party will be required to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter that (a) constitutes non-financial trade secrets or non-financial proprietary information, (b) in respect of which access or inspection by, or disclosure to, the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by Law or any binding agreement or (c) is subject to attorney-client or similar privilege or constitutes attorney work product.

Section 6.11. Additional Collateral; Additional Guarantors. At the Borrowers' expense, subject to the terms, conditions and provisions of the Collateral and Guarantee Requirement and any applicable limitation in any Collateral Document, take all action necessary or reasonably requested by the Administrative Agent to ensure that the Collateral and Guarantee Requirement continues to be satisfied, including:

(g) Upon the formation or acquisition of any new direct or indirect wholly-owned Material Domestic Subsidiary (in each case, other than an Excluded Subsidiary) by any Loan Party or the designation in accordance with Section 6.14 of any existing direct or indirect wholly-owned Material Domestic Subsidiary as a Restricted Subsidiary (in each case, other than an Excluded Subsidiary) or any Subsidiary becoming a wholly-owned Material Domestic Subsidiary (in each case, other than an Excluded Subsidiary):

(i) within 60 days after such formation, acquisition or designation, or such longer period as the Administrative Agent may agree in writing in its discretion:

(A) cause each such Material Domestic Subsidiary that is required to become a Guarantor pursuant to the Collateral and Guarantee Requirement to duly execute and deliver to the Administrative Agent, other than with respect to any Excluded Assets, joinders to this Agreement as Guarantors, Security Agreement Supplements, Intellectual Property Security

Agreements and other security agreements and documents as reasonably requested by and in form and substance reasonably satisfactory to the Administrative Agent (consistent with the Mortgages, Security Agreement, Intellectual Property Security Agreements and other security agreements in effect on the Closing Date), in each case granting Liens required by the Collateral and Guarantee Requirement;

(B) cause each such Material Domestic Subsidiary that is required to become a Guarantor pursuant to the Collateral and Guarantee Requirement (and the parent of each such Domestic Subsidiary that is a Borrower or a Guarantor) to deliver any and all certificates representing Equity Interests (to the extent certificated) that are required to be pledged pursuant to the Collateral and Guarantee Requirement, accompanied by undated stock powers or other appropriate instruments of transfer executed in blank;

(C) take and cause such Material Domestic Subsidiary that is required to become a Guarantor pursuant to the Collateral and Guarantee Requirement and each direct or indirect parent of such Material Domestic Subsidiary to take whatever action (including the recording of Mortgages, the filing of UCC financing statements and delivery of stock and membership interest certificates) as may be necessary in the reasonable opinion of the Administrative Agent to vest in the Administrative Agent (or in any representative of the Administrative Agent designated by it) valid and perfected Liens to the extent required by the Collateral and Guarantee Requirement, and to otherwise comply with the requirements of the Collateral and Guarantee Requirement;

(ii) if reasonably requested by the Administrative Agent, within 60 days after such request (or such longer period as the Administrative Agent may agree in writing in its discretion), deliver to the Administrative Agent a signed copy of an opinion, addressed to the Administrative Agent and the Lenders, of counsel for the Loan Parties reasonably acceptable to the Administrative Agent as to such matters set forth in this Section 6.11(a) as the Administrative Agent may reasonably request;

(iii) within 60 days after the request therefor by the Administrative Agent (or such longer period as the Administrative Agent may agree in writing in its discretion), deliver to the Administrative Agent with respect to each Material Real Property, copies of title reports, abstracts or environmental assessment reports, each in form and substance reasonably satisfactory to the Administrative Agent; *provided* , *however* , that there shall be no obligation to deliver to the Administrative Agent any environmental assessment report whose disclosure to the Administrative Agent would require the consent of a Person other than Parent or one of its Subsidiaries if such consent cannot be reasonably obtained through commercially reasonable and diligent effort; and

(iv) if reasonably requested by the Administrative Agent, within 75 days after such request (or such longer period as the Administrative Agent may agree in writing in its discretion), deliver to the Administrative Agent other items necessary from time to time to satisfy the Collateral and Guarantee Requirement with respect to perfection and existence of security interests with respect to property of any Guarantor acquired after the Closing Date and subject to the Collateral and Guarantee Requirement, but not specifically covered by the preceding clauses (i) , (ii) or (iii) or Section 6.11(b) below.

(h) Not later than 90 days after the acquisition by any Loan Party of Material Real Property (or such longer period as the Administrative Agent may agree in writing in its discretion) that is required to be provided as Collateral pursuant to the Collateral and Guarantee Requirement, which property would not be automatically subject to another Lien pursuant to pre-existing Collateral Documents, cause such property to be subject to a Lien and Mortgage in favor of the Collateral Agent for the benefit of the Secured Parties and take, or cause the relevant Loan Party to take, such actions as shall be necessary or reasonably requested by the Administrative Agent to grant and perfect or record such Lien, in each case to the extent required by, and subject to the limitations and exceptions of, the Collateral and Guarantee Requirement and to otherwise comply with the requirements of the Collateral and Guarantee Requirement.

Section 6.12. Compliance with Environmental Laws . Except, in each case, to the extent that the failure to do so would not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect, (i) comply, and take all reasonable actions to cause all lessees and other Persons operating or occupying its Real Property to comply with all applicable Environmental Laws and Environmental Permits; (ii) obtain and renew all Environmental Permits necessary for its operations and Real Property; and (iii) in each case to the extent the Consolidated Parties are required by Environmental Laws or a Governmental Authority, conduct any assessment, investigation, remedial or other corrective action necessary to address Hazardous Materials at any Real Property in accordance with applicable Environmental Laws.

Section 6.13. Further Assurances; Post-Closing Obligations .

(c) Promptly upon reasonable written request by the Administrative Agent (i) correct any material defect or error that may be discovered in the execution, acknowledgment, filing or recordation of any Collateral Document or other document or instrument relating to any Collateral, and (ii) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates, assurances and other instruments as the Administrative Agent may reasonably request from time to time in order to carry out more effectively the purposes of the Collateral Documents, to the extent required pursuant to the Collateral and Guarantee Requirement and subject in all respects to the limitations therein. If the Administrative Agent reasonably determines that it is required by

applicable Law to have appraisals prepared in respect of the Real Property of any Loan Party subject to a mortgage constituting Collateral, the Borrower Representative shall promptly provide to the Administrative Agent appraisals that satisfy the applicable requirements of the Real Estate Appraisal Reform Amendments of FIRREA.

(d) Execute and deliver the documents and complete the tasks set forth on Schedule 6.13(b) , in each case within the time limits specified therein (or such longer period of time reasonably acceptable to the Administrative Agent).

Section 6.14. Designation of Subsidiaries . The Borrower Representative may at any time after the Closing Date designate any Restricted Subsidiary of either Borrower (other than the BD Subsidiary or the Advisory Services Subsidiary) as an Unrestricted Subsidiary or any Unrestricted Subsidiary as a Restricted Subsidiary; *provided* that (i) immediately before and after such designation (A) so long as the Consolidated Total Net Leverage Ratio (determined on a Pro Forma Basis) is no more than 4.00 to 1.00 and (B) no Default or Event of Default shall have occurred and be continuing, both immediately prior to and immediately following such designation, (ii) no Subsidiary may be designated as an Unrestricted Subsidiary if, after such designation, it would be a "Restricted Subsidiary" for the purpose of any Indebtedness for borrowed money with an outstanding principal amount in excess of the Threshold Amount or any Junior Financing, (iii) no Restricted Subsidiary may be designated as an Unrestricted Subsidiary if it was previously designated as an Unrestricted Subsidiary and (iv) no Unrestricted Subsidiary may be designated as a Restricted Subsidiary if, after such designation, it would not be in compliance with the covenants set forth in Sections 7.01 , 7.02 and 7.03 . The designation of any Subsidiary as an Unrestricted Subsidiary after the Closing Date shall constitute an Investment by the applicable Borrower therein at the date of designation in an amount equal to the fair market value of the applicable Borrower's Investment therein. The designation of any Unrestricted Subsidiary as a Restricted Subsidiary shall constitute (i) the incurrence at the time of designation of any Investment, Indebtedness or Liens of such Subsidiary existing at such time and (ii) a Return on any Investment by any Borrower in Unrestricted Subsidiaries pursuant to the preceding sentence in an amount equal to the fair market value at the date of such designation of the applicable Borrower's Investment in such Subsidiary.

Section 6.15. Maintenance of Ratings . Use commercially reasonable efforts to maintain (i) a public corporate credit rating (but not any specific rating) from S&P and a public corporate family rating (but not any specific rating) from Moody's, in each case in respect of Holdings, and (ii) a public rating (but not any specific rating) in respect of the Initial Term Loans and the Revolving Credit Facility from each of S&P and Moody's.

Section 6.16. Use of Proceeds . Use the proceeds of the Initial Term Loans to finance a portion of the Transactions and use the proceeds of the Term Loans (other than Initial Term Loans), Revolving Credit Loans and the Letters of Credit issued hereunder only for general corporate purposes and working capital of the Borrowers and their Subsidiaries and any other purpose not prohibited by this Agreement, including Permitted Acquisitions and other Investments; *provided* that no Revolving Credit Loans shall be made under the Revolving Credit Facility on the Closing Date.

Section 6.17. Lender Calls . With respect to each fiscal year for which financial statements have been delivered pursuant to Section 6.01(a) (or if requested by the Administrative Agent, with respect to any fiscal quarter for which financial statements have been delivered pursuant to Section 6.01(b)), upon reasonable prior notice given to the Administrative Agent, Parent shall hold a telephonic meeting with all Lenders who choose to participate in such meeting, during which the financial results of the Consolidated Parties shall be reviewed for, and as of the last day of, such fiscal period.

Section 6.18. Employee Benefits . Do, and cause each ERISA Affiliate to do each of the following: (a) maintain each Plan in compliance with the applicable provisions of ERISA, the Code and other United States federal or state law; (b) cause each Plan that is qualified under Section 401(a) of the Code to maintain such qualification; and (c) make all required contributions to any Plan subject to Section 412 of the Code.

ARTICLE VII

NEGATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligations hereunder (other than contingent obligations as to which no claim has been asserted and obligations under Treasury Services Agreements or Secured Hedge Agreements) or any Letter of Credit remaining outstanding (unless the Outstanding Amount of the L/C Obligations related thereto has been Cash Collateralized, back-stopped by a letter of credit reasonably satisfactory to the applicable L/C Issuer or deemed reissued under another agreement reasonably acceptable to the applicable L/C Issuer), then from and after the Closing Date, the Borrowers (and, with respect to Sections 7.06 , 7.12 and 7.14 only, each Holding Company) shall not and shall not permit any of their Restricted Subsidiaries to, directly or indirectly:

Section 7.01. Liens . Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than the following (collectively, " **Permitted Liens** "):

(k) Liens (i) created pursuant to any Loan Document and (ii) on the Collateral securing Cash Management Obligations incurred pursuant to Section 7.03(l) and other Secured Obligations;

(l) Liens existing on the Closing Date and listed on Schedule 7.01(b) and any modifications, replacements, renewals, restructurings, refinancings or extensions thereof; *provided* that (i) the Lien does not extend to any additional property other than (A) after-acquired property that is affixed or incorporated into the property covered by such Lien and (B) proceeds and products thereof and (ii) the replacement, renewal, extension or refinancing of the obligations secured or benefited by such Liens, to the extent constituting Indebtedness, is permitted by Section 7.03 ;

(m) Liens for taxes, assessments or governmental charges that are not yet overdue or that are being contested in good faith and by appropriate actions, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP;

(n) statutory or common law Liens of landlords, sub-landlords, carriers, warehousemen, mechanics, materialmen, repairmen, construction contractors or other like Liens, so long as, in each case, such Liens secure amounts not overdue for a period of more than 30 days or if more than 30 days overdue, are unfiled and no other action has been taken to enforce such Liens or that are being contested in good faith and by appropriate actions, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP;

(o) (i) pledges or deposits in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation and (ii) pledges and deposits in the ordinary course of business securing liability for reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefit of) insurance carriers providing property, casualty or liability insurance to any Consolidated Party;

(p) pledges or deposits to secure the performance of bids, trade contracts, utilities, governmental contracts and leases (other than Indebtedness for borrowed money), statutory obligations, surety, stay, customs and appeal bonds, performance bonds and other obligations of a like nature (including those to secure health, safety and environmental obligations) incurred in the ordinary course of business;

(q) easements, rights-of-way, building codes, restrictions (including zoning restrictions), encroachments, licenses, protrusions and other similar encumbrances and minor title defects, in each case affecting Real Property and that do not in the aggregate materially interfere with the ordinary conduct of the business of the Consolidated Parties, taken as a whole, and any exceptions on the Mortgage Policies issued in connection with the Mortgaged Properties;

(r) Liens (i) securing judgments for the payment of money not constituting an Event of Default under Section 8.01(g) , (ii) arising out of judgments or awards against any Consolidated Party with respect to which an appeal or other proceeding for review is then being pursued and for which adequate reserves have been made with respect thereto on the books of the applicable Person in accordance with GAAP and (iii) notices of *lis pendens* and associated rights related to litigation being contested in good faith by appropriate proceedings for which adequate reserves have been made with respect thereto on the books of the applicable Person in accordance with GAAP;

(s) leases, licenses, subleases or sublicenses (including the provision of software or the licensing of other intellectual property rights) and terminations thereof, in each case granted to others in the ordinary course of business which (i) do not interfere in any material respect with the business of the Consolidated Parties, taken as a whole, (ii) do not secure any Indebtedness and (iii) are permitted by Section 7.05(g) ;

(t) Liens (i) in favor of customs and revenue authorities arising as a matter of Law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business or (ii) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances or letters of credit issued or created for the account of such person to facilitate the purchase, shipment or storage of such inventory or other goods in the ordinary course of business;

(u) Liens (i) of a collection bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection, (ii) encumbering initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business, (iii) in favor of a banking or other financial institution arising as a matter of Law or under customary general terms and conditions encumbering deposits or other funds maintained with a financial institution (including the right of set-off) and that are within the general parameters customary in the banking industry or arising pursuant to such banking institutions general terms and conditions, and (iv) that are contractual rights of setoff or rights of pledge relating to (A) purchase orders and other agreements entered into with customers of Borrowers or any of its Restricted Subsidiaries in the ordinary course of business or (B) pooled deposit or sweep accounts of Borrowers or any of its Restricted Subsidiaries to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of any Borrower or any of its Restricted Subsidiaries;

(v) Liens (i) on cash advances in favor of the seller of any property to be acquired in an Investment permitted pursuant to Section 7.02(i) or to the extent related to any of the foregoing, Section 7.02(p) , to be applied against the purchase price for such Investment, and (ii) consisting of an agreement to Dispose of any property in a Disposition permitted under Section 7.05 , in each case, solely to the extent such Investment or Disposition, as the case may be, would have been permitted on the date of the creation of such Lien;

(w) Liens in favor of any Borrowers or any Subsidiary Guarantor;

(x) any interest or title of a lessor, sub-lessor, licensor or sub-licensor under leases, subleases, licenses or sublicenses entered into by any Borrower or any Restricted Subsidiary in the ordinary course of business;

(y) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale of goods entered into by any Borrower or any Restricted Subsidiary in the ordinary course of business permitted by this Agreement;

(z) Liens deemed to exist in connection with Investments in repurchase agreements under Section 7.02(a) ;

(aa) [reserved];

(bb) Liens that are contractual rights of set off or rights of pledge relating to purchase orders and other agreements entered into with customers of the Borrowers or any of their Restricted Subsidiaries in the ordinary course of business;

(cc) Liens solely on any cash earnest money deposits made by the Borrowers or any of their Restricted Subsidiaries in connection with any letter of intent or purchase agreement permitted hereunder;

(dd) ground leases in respect of Real Property on which facilities owned or leased by the Borrowers or any of their Restricted Subsidiaries are located;

(ee) Liens to secure Indebtedness permitted under Section 7.03(e) ; *provided* that (i) such Liens are incurred within 270 days of the acquisition, construction, repair, lease or improvement of the property subject to such Liens, (ii) such Liens do not at any time encumber property (except for replacements, additions, accessions and proceeds to such property) other than the property financed by such Indebtedness and the proceeds and products thereof and customary security deposits and (iii) with respect to Capitalized Leases, such Liens do not at any time extend to or cover any assets (except for replacements, additions and accessions to such assets) other than the assets subject to such Capitalized Leases and the proceeds and products thereof and customary security deposits; *provided* that individual financings of equipment provided by one lender may be cross collateralized to other financings of equipment provided by such lender.

(ff) Liens on property of any Restricted Subsidiary that is not a Loan Party, which Liens secure (i) Indebtedness of any of Consolidated Party permitted under Section 7.03(r) or (ii) Indebtedness permitted under Section 7.03 of Restricted Subsidiaries that are not Loan Parties;

(gg) Liens existing on property at the time of its acquisition or existing on the property of any Person at the time such Person becomes a Restricted Subsidiary (other than by designation as a Restricted Subsidiary pursuant to Section 6.14), in each case after the Closing Date (other than Liens on the Equity Interests of any Person that becomes a Restricted Subsidiary to the extent such Equity Interests are owned by the Borrowers or any Subsidiary Guarantor); *provided* that (i) such Lien was not created in contemplation of such acquisition or such Person becoming a Restricted Subsidiary, (ii) such Lien does not extend to or cover any other assets or property (other than the proceeds, products and accessions thereof and other than after-acquired property subjected to a Lien securing Indebtedness and other obligations incurred prior to such time and which Indebtedness and other obligations are permitted hereunder that require, pursuant to their terms at such time, a pledge of after-acquired property, it being understood that such requirement shall not be permitted to apply to any property to which such requirement would not have applied but for such acquisition), and (iii) the Indebtedness secured thereby is permitted under Section 7.03(g) ;

(hh) (i) zoning, building, entitlement and other land use regulations by Governmental Authorities with which the normal operation of the business complies, and (ii) any zoning or similar law or right reserved to or vested in any Governmental Authority to control or regulate the use of any real property that does not materially interfere with the ordinary conduct of the business of the Borrowers and their Restricted Subsidiaries, taken as a whole;

(ii) Liens arising from precautionary Uniform Commercial Code financing statement or similar filings securing obligations permitted to be incurred on a secured basis under Section 7.03 and elsewhere under this Section 7.01 ;

(jj) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

(kk) the modification, replacement, renewal or extension of any Lien permitted by Sections 7.01(b) , (u) and (w) ; *provided* that (i) the Lien does not extend to any additional property, other than (A) after-acquired property that is affixed or incorporated into the property covered by such Lien and (B) proceeds and products thereof, and (ii) the renewal, extension, restructuring or refinancing of the obligations secured or benefited by such Liens is permitted by Section 7.03 (to the extent constituting Indebtedness);

(ll) Liens with respect to property or assets of the Borrowers or any of their Restricted Subsidiaries securing obligations in an aggregate principal amount outstanding at any time not to exceed the greater of $10,000,000 and 10% of LTM EBITDA, in each case determined as of the date of incurrence;

(mm) Liens on the Collateral securing obligations in respect of Permitted Equal Priority Refinancing Debt or Permitted

Junior Priority Refinancing Debt and Indebtedness permitted pursuant to Section 7.03(r) and (w) and any Permitted Refinancing of any of the foregoing;

(nn) deposits of cash with the owner or lessor of premises leased and operated by the Borrowers or any of their Subsidiaries to secure the performance of such Borrower's or such Subsidiary's obligations under the terms of the lease for such premises; and

(oo) Liens arising by operation of law in the United States under Article 2 of the UCC in favor of a reclaiming seller of goods or buyer of goods.

Section 7.02. Investments . Make or hold any Investments, except:

(o) Investments by the Borrowers or any of their Restricted Subsidiaries in assets that were cash or Cash Equivalents when such Investment was made;

(p) loans or advances to current or former officers, directors, Investment Advisers and employees of any Loan Party or any of its Subsidiaries (i) for reasonable and customary business-related travel, entertainment, relocation and analogous ordinary business purposes and (ii) for any other purposes not described in the foregoing clause (i) not to exceed (i) 5,000,000 in the aggregate in any consecutive twelve month period and (ii) $20,000,000 in the aggregate during the term of this Agreement.

(q) Investments (i) by the Borrowers or any Restricted Subsidiary in any Loan Party (other than a Holding Company), (ii) by any Restricted Subsidiary that is not a Loan Party in any other Restricted Subsidiary that is not a Loan Party and (iii) by any Loan Party in any Restricted Subsidiary that is not a Loan Party; *provided* that (A) no such Investments made pursuant to this clause (iii) in the form of intercompany loans shall be evidenced by a promissory note unless (x) such promissory note is pledged to the Administrative Agent in accordance with the terms of the Security Agreement and (y) all such Indebtedness of any Loan Party owed to any Subsidiary that is not a Loan Party shall be unsecured and subordinated to the Obligations pursuant to the terms of the Intercompany Note and (B) the aggregate amount of Investments made pursuant to this clause (iii) shall not exceed at any time outstanding the Non-Guarantor Cap (plus the amount of any return in respect thereof, including dividends, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts), in each case determined at the time such Investment is made;

(r) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors and other credits to suppliers in the ordinary course of business;

(s) Investments (excluding loans and advances made in lieu of Restricted Payments pursuant to and limited by Section 7.02(m) below) consisting of transactions permitted under Sections 7.01 , 7.03 (other than 7.03(c) and (d)), 7.04 (other than 7.04(c)(ii) or (e)), 7.05 (other than 7.05(e)), 7.06 (other than 7.06(d) or (g)(iv)) and 7.13 , respectively;

(t) Investments (i) existing or contemplated on the Closing Date and set forth on Schedule 7.02(f) and any modification, replacement, renewal, reinvestment or extension thereof that does not increase the value thereof and (ii) existing on the Closing Date by the Borrowers or any Restricted Subsidiary in the Borrowers or any other Restricted Subsidiary and any modification, renewal or extension thereof that does not increase the value thereof;

(u) Investments in Swap Contracts permitted under Section 7.03(f) ;

(v) promissory notes, securities and other non-cash consideration received in connection with Dispositions permitted by Section 7.05 ;

(w) any acquisition by either Borrower or any Restricted Subsidiary (any such acquisition under this Section 7.02(i) , a " **Permitted Acquisition** ") of all or substantially all the assets of a Person or any Equity Interests in a Person which is in a line of business similar, ancillary, complementary or related to, or a reasonable extension, development or expansion of, the business conducted by the Borrowers and their Restricted Subsidiaries and that becomes a Restricted Subsidiary or division or line of business of a Person (or any subsequent Investment made in a Person, division or line of business previously acquired in a Permitted Acquisition), in a single transaction or series of related transactions, if immediately after giving effect thereto: (i) on the date on which the definitive agreement governing the relevant transaction is executed, (1) immediately before and immediately after giving Pro Forma Effect to any such purchase or other acquisition (including any Indebtedness to be incurred in connection therewith), no Event of Default shall have occurred and be continuing and (2) immediately after giving effect to such purchase or other acquisition, (A) the Consolidated Secured Net Leverage Ratio as of the last day of the most recent Test Period is less than or equal to 4.00 to 1.00 and (B) the Borrower and the Restricted Subsidiaries shall be in compliance on a Pro Forma Basis with the covenant set forth in Section 7.11; (ii) no Event of Default exists at the time of the consummation of such acquisition (limited in connection with Indebtedness incurred to finance a Limited Condition Transaction to Defaults or Events of Default pursuant to Sections 8.01(a) and (f) and any other Default or Event of Default that is a condition to the effectiveness of the Limited Condition Transaction); (iii) any acquired or newly formed Restricted Subsidiary shall not be liable for any Indebtedness except for Indebtedness otherwise permitted by Section 7.03 ; (iv) to the extent required by the Collateral and Guarantee Requirement, (A) the property,

assets and businesses acquired in such purchase or other acquisition shall constitute Collateral and (B) any such newly created or acquired Restricted Subsidiary (other than an Excluded Subsidiary) shall become a Guarantor, in each case in accordance with Section 6.11 ; and (v) the aggregate amount of Investments by Loan Parties pursuant to this Section 7.02(i) in assets (other than Equity Interests) that are not (or do not become at the time of such acquisition) directly owned by a Loan Party or in Equity Interests of Persons that do not become Loan Parties shall not exceed the greater of $5,000,000 and 5% of LTM EBITDA, in each case determined as of the date such Investments are made (plus the amount of any return in respect thereof, including dividends, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts);

(x) Investments constituting a part of the Transactions on the Closing Date;

(y) Investments in the ordinary course of business consisting of UCC Article 3 endorsements for collection or deposit and UCC Article 4 customary trade arrangements with customers consistent with past practices;

(z) Investments (including debt obligations and Equity Interests) received in connection with the bankruptcy or reorganization of suppliers and customers or in settlement of delinquent obligations of, or other disputes with, customers and suppliers arising in the ordinary course of business or upon the foreclosure with respect to any secured Investment or other transfer of title with respect to any secured Investment;

(aa) loans and advances to any direct or indirect parent of Holdings not in excess of the amount of (after giving effect to any other loans, advances or Restricted Payments in respect thereof) Restricted Payments to the extent permitted to be made to such parent in accordance with Section 7.06 , such Investment being treated for purposes of the applicable clause of Section 7.06 , including any limitations, as if a Restricted Payment had been made pursuant to such clause in an amount equal to such Investment;

(bb) advances of payroll payments to employees in the ordinary course of business;

(cc) Investments to the extent that payment for such Investments is made solely with Qualified Equity Interests of Holdings or any direct or indirect parent of Holdings;

(dd) Investments of a Restricted Subsidiary acquired after the Closing Date or of a Person merged or amalgamated or consolidated into the Borrowers or merged, amalgamated or consolidated with a Restricted Subsidiary in accordance with Section 7.04 after the Closing Date to the extent that such Investments were not made in contemplation of or in connection with such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger or consolidation;

(ee) Investments in a Person that is or will become a Restricted Subsidiary made by a Restricted Subsidiary that is not a Loan Party to the extent such Investments are financed with the proceeds received by such Restricted Subsidiary from an Investment in such Restricted Subsidiary by a Loan Party permitted under this Section 7.02 ;

(ff) Investments in deposit accounts, securities accounts and commodities accounts maintained by the Borrowers or any of their Restricted Subsidiaries; and

(gg) Investments using the Available Amount at such time, so long as (i) no Default or Event of Default exists or would result from the making of such Investment and (ii) Borrowers are in compliance (on a pro forma basis) with the Consolidated First Lien Net Leverage Ratio set forth in Section 7.11 (regardless of whether such covenant is required to be tested at such time) as of the last day of the most recently ended fiscal quarter of Parent for which financial statements have been delivered or were required to be delivered pursuant to Section 6.01 ;

To the extent an Investment is permitted to be made by a Loan Party directly in any Restricted Subsidiary or any other Person that is not a Loan Party (each such person, a " **Target Person** ") under any provision of this Section 7.02 , such Investment may be made by advance, contribution or distribution by a Loan Party to a Restricted Subsidiary that is not a Loan Party, and further advanced or contributed to a Restricted Subsidiary for purposes of making the relevant Investment in the Target Person without constituting an Investment for purposes of Section 7.02 (it being understood that such Investment must satisfy the requirements of, and shall count towards any thresholds in, a provision of this Section 7.02 as if made by the applicable Loan Party directly to the Target Person).

Section 7.03. Indebtedness . Create, incur, assume or suffer to exist any Indebtedness, except:

(q) Indebtedness of any Loan Party under the Loan Documents;

(r) Indebtedness outstanding on the Closing Date and listed on Schedule 7.03(b) ; *provided* that all such Indebtedness of any Loan Party owed to any Restricted Subsidiary that is not a Loan Party shall be unsecured and subordinated to the Obligations pursuant to the Intercompany Note;

(s) Guarantees by the Borrowers and any Restricted Subsidiary in respect of Indebtedness of the Borrowers or any Restricted Subsidiary otherwise permitted hereunder; *provided* that (A) no Guarantee by any Restricted Subsidiary of any Indebtedness

constituting a junior lien financing shall be permitted unless such guaranteeing party shall have also provided a Guarantee of the Obligations on the terms set forth herein, (B) if the Indebtedness being Guaranteed is subordinated to the Obligations, such Guarantee shall be subordinated to the Guarantee of the Obligations on terms at least as favorable to the Lenders as those contained in the subordination of such Indebtedness and (C) any Guarantee by a Loan Party of Indebtedness of a Restricted Subsidiary that is not a Loan Party shall only be permitted to the extent constituting an Investment permitted by Section 7.02(c)(iii) ;

(t) Indebtedness of the Borrowers or any Restricted Subsidiary owing to any Loan Party or any other Restricted Subsidiary (or issued or transferred to any direct or indirect parent of a Loan Party which is substantially contemporaneously transferred to a Loan Party or any Restricted Subsidiary of a Loan Party) but only, in the case of Indebtedness of a non-Loan Party owing to a Loan Party, to the extent constituting an Investment permitted by Section 7.02(c)(iii) ; *provided* that (x) no such Indebtedness owed to a Loan Party shall be evidenced by a promissory note unless such promissory note is pledged to the Administrative Agent in accordance with the terms of the Security Agreement, (y) all such Indebtedness of any non-Loan Party owed to a Loan Party shall not exceed the Non-Guarantor Cap;

(u) Attributable Indebtedness and other Indebtedness (including Capitalized Leases) financing an acquisition, construction, repair, replacement, lease or improvement of a fixed or capital asset incurred by the Borrowers or any Restricted Subsidiary prior to or within 270 days after the acquisition, construction, repair, replacement, lease or improvements of the applicable asset in an aggregate amount not to exceed the greater of $10,000,000 and 10% of LTM EBITDA, in each case determined as of the date of incurrence at any time outstanding;

(v) Indebtedness in respect of Swap Contracts designed to hedge against the Borrowers' or any Restricted Subsidiary's exposure to interest rates, foreign exchange rates or commodities pricing risks incurred in the ordinary course of business and not for speculative purposes and Guarantees thereof, *provided* that any such Guarantees by Loan Parties of such Indebtedness of Restricted Subsidiaries that are not Loan Parties shall only be permitted to the extent constituting an Investment permitted by Section 7.02(c)(iii) ;

(w) Indebtedness of the Borrowers or any Restricted Subsidiary (i) assumed in connection with any Permitted Acquisition (*provided* that such Indebtedness is not incurred in contemplation of such Permitted Acquisition or any Permitted Refinancing thereof) in an aggregate amount not to exceed the greater of $10,000,000 and 10% of LTM EBITDA, in each case determined as of the date of incurrence or (ii) incurred to finance any Permitted Acquisition and that complies with the Applicable Requirements; so long as after giving Pro Forma Effect to such Permitted Acquisition and the assumption or incurrence of such Indebtedness, as applicable, (A) the Consolidated Total Net Leverage Ratio is no more than 3.75 to 1.00; *provided* that in the case of clause (ii) , (A) such Indebtedness does not mature prior to the date that is the Latest Maturity Date, or have a Weighted Average Life to Maturity less than the Weighted Average Life to Maturity of any Term Loan outstanding at the time such Indebtedness is incurred or issued and does not require any scheduled amortization or other scheduled payments of principal prior to the Latest Maturity Date and (B) no Event of Default shall exist or result therefrom (limited in connection with Indebtedness incurred to finance a Limited Condition Transaction to Defaults or Events of Default under Sections 8.01(a) and (f) and any other Default or Event of Default that is a condition to the effectiveness of the Limited Condition Transaction); *provided* , *further* , that (x) the only obligors with respect to any Indebtedness incurred pursuant to clause (i) of this paragraph or any Permitted Refinancing of Indebtedness in respect thereof shall be of those Persons who were obligors of such Indebtedness immediately prior to such Permitted Acquisition and (y) all such Indebtedness under this Section 7.03(g) of any Restricted Subsidiary that is not a Loan Party shall not exceed the greater of $10,000,000 and 10% of LTM EBITDA, in each case determined as of the date of incurrence.

(x) Indebtedness representing deferred compensation to current or former officers, managers, consultants, directors, Investment Advisers and employees (including their respective estates, spouses or former spouses) of any Consolidated Party incurred in the ordinary course of business;

(y) Indebtedness consisting of promissory notes issued by the Borrowers or any of their Restricted Subsidiaries to current or former officers, managers, consultants, directors, Investment Advisers and employees, their respective estates, spouses or former spouses to finance the purchase or redemption of Equity Interests of Baseball permitted by Section 7.06 ;

(z) Indebtedness incurred by the Borrowers or any of their Restricted Subsidiaries in a Permitted Acquisition, any other Investment permitted hereunder, merger or any Disposition permitted hereunder, in each case, constituting indemnification obligations or obligations in respect of purchase price (including earnouts) or other similar adjustments;

(aa) Indebtedness consisting of obligations of the Borrowers or any of their Restricted Subsidiaries under deferred compensation or other similar arrangements incurred by such Person in connection with Permitted Acquisitions or any other Investment permitted hereunder;

(bb) Cash Management Obligations and other Indebtedness in respect of netting services, automatic clearinghouse arrangements, overdraft protections, employee credit card programs and other cash management and similar arrangements in the ordinary course of business and any Guarantees thereof or the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business, so long as such Indebtedness is extinguished within 15 Business Days of its incurrence;

(cc) Indebtedness consisting of (i) the financing of insurance premiums or (ii) take-or-pay obligations contained in supply

arrangements, in each case, in the ordinary course of business;

(dd) Indebtedness incurred by the Borrowers or any of their Restricted Subsidiaries in respect of letters of credit, bank guarantees, bankers' acceptances, warehouse receipts or similar instruments issued or created in the ordinary course of business, including in respect of workers compensation claims, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance or other Indebtedness with respect to reimbursement-type obligations regarding workers compensation claims;

(ee) obligations in respect of performance, bid, appeal and surety bonds and performance and completion guarantees and similar obligations provided by the Borrowers or any Restricted Subsidiaries or obligations in respect of letters of credit, bank guarantees or similar instruments related thereto, in each case in the ordinary course of business or consistent with past practice;

(ff) Credit Agreement Refinancing Indebtedness;

(gg) Indebtedness incurred by a Foreign Subsidiary or other Restricted Subsidiary that is not a Loan Party, which, when aggregated with the principal amount of all other Indebtedness incurred pursuant to this Section 7.03(q) and Section 7.03(r) and then outstanding for all such Persons taken together, does not exceed the greater of $10,000,000 and 10% of LTM EBITDA, in each case determined as of the date of incurrence;

(hh) Indebtedness of the Borrowers or any of their Restricted Subsidiaries that complies with the Applicable Requirements, so long as no Default or Event of Default (limited in connection with Indebtedness incurred to finance a Limited Condition Transaction to Defaults or Events of Default under Sections 8.01(a) and (f) and any other Default or Event of Default that is a condition to the effectiveness of the Limited Condition Transaction) is continuing or would result from the incurrence of such Indebtedness; *provided* that any Indebtedness that may be incurred by Restricted Subsidiaries that are not Loan Parties pursuant to this Section 7.03(r) and Section 7.03(q) shall not exceed the greater of $10,000,000 and 10% of LTM EBITDA, in each case determined as of the date of incurrence; *provided* , *further* , that:

(i) if such Indebtedness is secured on a *pari passu* basis in right of security with the Obligations, the aggregate principal amount of such Indebtedness shall not exceed the sum of (A) an amount equal to $50,000,000 (net of Indebtedness incurred pursuant to Section 2.14(d)(iii)(A) and Section 7.03(r)(ii)(A)) *plus* (B) up to an additional amount so long as on and as of the date of such incurrence the Consolidated First Lien Net Leverage Ratio (determined on a Pro Forma Basis and assuming all previously established and simultaneously established revolving credit facilities under this Section 7.03(r)(i) are fully drawn and excluding the cash proceeds of any borrowing under any such Indebtedness (assuming any revolving credit facility is fully drawn) is no more than 3.75 to 1.00 at the time of incurrence; and

(ii) if such Indebtedness is secured on a junior basis in right of security with the Obligations or is unsecured, the aggregate principal amount of such Indebtedness shall not exceed the sum of (A) an amount equal to $50,000,000 (net of Indebtedness incurred pursuant to Section 2.14(d)(iii)(A) and Section 7.03(r)(i)(A)) *plus* (B) up to an additional amount so long as on and as of the date of such incurrence the Consolidated Secured Net Leverage Ratio (determined on a Pro Forma Basis) is no more than 3.75 to 1.00 at the time of incurrence (and if being utilized to incur unsecured Indebtedness, assuming for the calculation of the Consolidated Secured Net Leverage Ratio that all such unsecured Indebtedness is secured).

For purposes of the calculations in this Section 7.03(r) , (A) with respect to any Revolving Credit Commitments, a borrowing of the maximum amount of Loans available thereunder shall be assumed, (B) to the extent the proceeds of any Indebtedness incurred under this Section 7.03(r) are used to repay Indebtedness, Pro Forma Effect shall be given to such repayment of Indebtedness and (C) and Indebtedness incurred under clauses (i)(A) and (ii)(A) above shall be available at all times and not subject to any ratio test, whether incurred simultaneously with amounts under clauses (i)(B) or (ii)(B) or otherwise.

(ii) any Permitted Refinancings of Indebtedness incurred pursuant to Section 7.03 (b) , (e) , (g) , (s) , (u) , (r) , (s) , and (t) ;

(jj) all premiums (if any), interest (including post-petition interest), fees, expenses, charges and additional or contingent interest on obligations described in Sections 7.03(a) through 7.03(s) ; and

(kk) additional unsecured Indebtedness incurred by the Borrowers or any of their Restricted Subsidiaries in an amount not to exceed the greater of $10,000,000 and 10% of LTM EBITDA, in each case determined as of the date of incurrence at any time outstanding.

Section 7.04. Fundamental Changes . Merge, dissolve, liquidate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of related transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person, except that:

(f) any Restricted Subsidiary of either Borrower may merge, amalgamate or consolidate with (A) such Borrower (including a merger, the purpose of which is to reorganize a Borrower into a new jurisdiction); *provided* that such Borrower shall be the continuing or surviving Person or (B) one or more other Restricted Subsidiaries of such Borrower; *provided* that when any Person that is a Loan Party is merging with a Restricted Subsidiary, a Loan Party shall be the continuing or surviving Person or

(g) (i) any Restricted Subsidiary of either Borrower that is not a Loan Party may merge, amalgamate or consolidate with or into any other Restricted Subsidiary of such Borrower that is not a Loan Party, (ii) any Restricted Subsidiary of either Borrower may liquidate or dissolve and (iii) any Restricted Subsidiary of either Borrower may change its legal form if, with respect to clauses (ii) and (iii), the Borrower Representative determines in good faith that such action is in the best interest of the Consolidated Parties and if not materially disadvantageous to the Lenders (it being understood that in the case of any change in legal form, a Restricted Subsidiary that is a Guarantor will remain a Guarantor unless such Guarantor is otherwise permitted to cease being a Guarantor hereunder);

(h) any Restricted Subsidiary of either Borrower may Dispose of all or substantially all of its assets (upon voluntary liquidation or otherwise) to the Borrowers or to another such Restricted Subsidiary; *provided* that if the transferor in such a transaction is a Guarantor, then (i) the transferee must be a Guarantor or a Borrower or (ii) to the extent constituting an Investment, such Investment must be a permitted Investment in or Indebtedness of a Restricted Subsidiary which is not a Loan Party in accordance with Sections 7.02 (other than 7.02(e) or 7.02(h)) and 7.03, respectively;

(i) so long as no Default has occurred and is continuing or would result therefrom, any Borrower may merge, amalgamate or consolidate with any other Person (other than any Holding Company or any other Borrower); *provided* that (x) such Borrower shall be the continuing or surviving corporation and (y) such Borrower shall be a Domestic Subsidiary;

(j) so long as (in the case of a merger involving a Loan Party) no Default has occurred and is continuing or would result therefrom (limited in connection with a merger involving a Limited Condition Transaction to Defaults or Events of Default pursuant to Sections 8.01(a) and (f) and any other Default or Event of Default that is a condition to the effectiveness of the Limited Condition Transaction), any Restricted Subsidiary of either Borrower may merge or consolidate with any other Person in order to effect an Investment permitted pursuant to Section 7.02; *provided* that the continuing or surviving Person shall be (x) a Restricted Subsidiary of such Borrower and (y) a Domestic Subsidiary, which together with each of their Restricted Subsidiaries, shall have complied with the requirements of Section 6.11 and Section 6.13 to the extent required pursuant to the Collateral and Guarantee Requirement; and

(k) so long as no Default has occurred and is continuing or would result therefrom, a merger, dissolution, liquidation, consolidation or Disposition, the purpose of which is to effect a Disposition permitted pursuant to Section 7.05 (other than Section 7.05(e)).

Section 7.05. Dispositions. Make any Disposition, except:

(a) Dispositions of obsolete, worn out, used or surplus property, whether now owned or hereafter acquired, in the ordinary course of business and Dispositions of property no longer used or useful in the conduct of the business of the Borrowers or any of their Restricted Subsidiaries;

(b) Dispositions of inventory, goods held for sale in the ordinary course of business and immaterial assets (other than the lapse or abandonment of IP Rights, which is governed by clause (o) of this Section 7.05) and termination of leases and licenses in the ordinary course of business;

(c) Dispositions of property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) the proceeds of such Disposition are promptly applied to the purchase price of similar replacement property;

(d) Dispositions of property to the Borrowers or any Restricted Subsidiary; *provided* that if the transferor of such property is a Loan Party, (i) the transferee thereof must be a Loan Party or (ii) if such transaction constitutes an Investment, such transaction is permitted under Section 7.02 (other than 7.02(e) or (h));

(e) to the extent constituting Dispositions, transactions permitted by (i) Section 7.01 (other than (7.01(i)), (ii) Section 7.02 (other than 7.02(e) or (h)), (iii) Section 7.04 (other than 7.04(f)) and (iv) Section 7.06 (other than 7.06(d));

(f) Dispositions of cash and Cash Equivalents;

(g) (i) leases, subleases, licenses or sublicenses (including the provision of software under an open source license or the licensing of other intellectual property rights) and terminations thereof, in each case in the ordinary course of business and which do not materially interfere with the business of the Consolidated Parties (taken as a whole) and (ii) Dispositions of IP Rights, and inbound and outbound licenses to IP Rights, in each case in the ordinary course of business and that do not interfere in any material respect with the business of the Consolidated Parties (taken as a whole);

(h) transfers of property subject to Casualty Events;

(i) Dispositions of property in an aggregate amount not to exceed $10,000,000; *provided* that (i) at the time of such Disposition, no Default shall have occurred and been continuing or would result from such Disposition, (ii) with respect to any Disposition pursuant to this Section 7.05(i) for a purchase price in excess of $2,500,000 individually (and $5,000,000 in the aggregate when taken together with any other Dispositions that were excluded during the term of this Agreement), the Borrowers or any of their Restricted Subsidiaries shall receive not less than 75% of such consideration in the form of cash or Cash Equivalents (in each case, free and clear of all

Liens at the time received, other than Permitted Liens); *provided* , *however* , that for the purposes of this clause (ii) , the following shall be deemed to be cash: (A) any securities received by the Borrowers or the applicable Restricted Subsidiary from such transferee that are converted by the Borrowers or such Restricted Subsidiary into cash or Cash Equivalents (to the extent of the cash or Cash Equivalents received) within 180 days following the closing of the applicable Disposition, and (B) aggregate non-cash consideration received by the Borrowers or the applicable Restricted Subsidiary having an aggregate fair market value (determined as of the closing of the applicable Disposition for which such non-cash consideration is received) not to exceed the greater of $2,500,000 and 2.5% of LTM EBITDA at any time; and (iii) such Disposition is for fair market value as reasonably determined by the Borrower Representative in good faith;

(j) Dispositions or discounts without recourse of accounts receivable in connection with the compromise or collection thereof in the ordinary course of business;

(k) any swap of assets in exchange for services or other assets in the ordinary course of business of comparable or greater value or usefulness to the business of the Consolidated Parties as a whole, as determined in good faith by the management of the Borrower Representative;

(l) any sale of Equity Interests in, or Indebtedness or other securities of, an Unrestricted Subsidiary;

(m) Dispositions of Investments in joint ventures to the extent required by, or made pursuant to customary buy/sell arrangements between, the joint venture parties set forth in joint venture arrangements and similar binding arrangements;

(n) the unwinding or settling of any Swap Contract in the ordinary course of business; and

(o) the lapse or abandonment in the ordinary course of business of any registrations or applications for registration of any immaterial IP Rights.

provided that any Disposition of any property pursuant to this Section 7.05 (except pursuant to Sections 7.05(a) , (d) , (e) , (g) , (h) , (j) , (m) , (n) and (o) and except for Dispositions from a Loan Party to any other Loan Party) shall be for no less than the fair market value of such property at the time of such Disposition. To the extent any Collateral is Disposed of as permitted by this Section 7.05 to any Person other than a Loan Party, such Collateral shall be sold free and clear of the Liens created by the Loan Documents, and the Administrative Agent shall be authorized to take any actions deemed appropriate in order to effect the foregoing.

Section 7.06. Restricted Payments . Declare or make, directly or indirectly, any Restricted Payment, except:

(d) each Restricted Subsidiary may make Restricted Payments to Borrowers and other Restricted Subsidiaries of the Borrowers (and, in the case of a Restricted Payment by a non-wholly-owned Restricted Subsidiary, to either Borrower and any other Restricted Subsidiary and to each other owner of Equity Interests of such Restricted Subsidiary based on their relative ownership interests of the relevant class of Equity Interests);

(e) each Borrower and each Restricted Subsidiary may declare and make dividend payments or other Restricted Payments payable solely in the Equity Interests (other than Disqualified Equity Interests not otherwise permitted by Section 7.03) of such Person (and, in the case of such a Restricted Payment by a non-wholly owned Restricted Subsidiary, the Borrowers and any Restricted Subsidiary and to each other owner of Equity Interests of such Restricted Subsidiary based on their relative ownership interests of the relevant class of Equity Interests);

(f) [Reserved]

(g) to the extent constituting Restricted Payments, the Borrowers (or any direct or indirect parent thereof (other than Parent)) and their Restricted Subsidiaries may enter into and consummate transactions permitted by any provision of Section 7.02 (other than 7.02(e) and 7.02(m)), 7.04 , 7.05 (other than 7.05(e)(iv) and 7.05(g)) or 7.08 (other than 7.08(e) and 7.08(k) and other than the redemption, repurchase or other acquisition of any Rollover Equity);

(h) so long as no Default or Event of Default shall have occurred and be continuing or would otherwise result therefrom, each Borrower and each of its Restricted Subsidiaries may (i) pay (or make Restricted Payments to allow any Holding Company or any other direct or indirect parent thereof to pay) for the repurchase, retirement or other acquisition or retirement for value of Equity Interests of Parent or Baseball held by any future, present or former employee, officer, director, manager or consultant (or any spouses, former spouses, successors, executors, administrators, heirs, legatees or distributees of any of the foregoing) of such Consolidated Party or (ii) make Restricted Payments in the form of distributions to allow any Holding Company or any direct or indirect parent of any Holding Company to pay principal or interest on promissory notes that were issued to any future, present or former employee, officer, director, manager or consultant (or any spouses, former spouses, successors, executors, administrators, heirs, legatees or distributees of any of the foregoing) of such Consolidated Party in lieu of cash payments for the repurchase, retirement or other acquisition or retirement for value of such Equity Interests held by such Persons; *provided* that the aggregate amount of Restricted Payments made pursuant to this Section 7.06(e) together with the aggregate amount of loans and advances to any direct or indirect parent of Holdings made pursuant to Section 7.02(m) in lieu of

Restricted Payments permitted by this Section 7.06(e) shall not exceed (i) $5,000,000 in the aggregate in any consecutive twelve month period and (ii) $20,000,000 in the aggregate during the term of this Agreement;

(i) so long as (i) no Default or Event of Default shall have occurred and be continuing or would otherwise result therefrom and (ii) Borrowers are in compliance with Section 7.11 on a Pro Forma Basis (after giving Pro Forma Effect to such Restricted Payment), other Restricted Payments made by the Borrowers to the applicable Holding Companies, which shall be permitted to make such payment to Parent (or, in the case of Baseball, to Holdings and to each other owner of Equity Interests of Baseball based on their relative ownership interests of the relevant class of Equity Interests) in a cumulative aggregate amount not to exceed $15,000,000;

(j) the Borrowers may make Restricted Payments to any Holding Company or, solely in the case of clause (iii) below, any direct or indirect parent of Holdings:

(i) to pay its operating costs and expenses incurred in the ordinary course of business and other corporate overhead costs and expenses (including administrative, legal, accounting and similar expenses provided by third parties), incurred in the ordinary course of business and attributable to the ownership or operations of the Borrowers and their Restricted Subsidiaries, Transaction Expenses and any indemnification claims made by directors or officers of such parent in each case attributable to the ownership or operations of the Borrowers and their Restricted Subsidiaries (but shall in no event include payment of any management fees);

(ii) the proceeds of which shall be used to pay franchise taxes and other fees, taxes and expenses, in each case, required to maintain any Holding Company's corporate existence;

(iii) for any taxable period in which Holdings and, if applicable, any of its Subsidiaries is a member of a consolidated, combined or similar income tax group of which Parent is the common parent (a " **Tax Group** "), to pay federal, foreign, state and local income taxes of such Tax Group that are attributable to the taxable income of Holdings and/or its Subsidiaries; *provided* that, for each taxable period, the amount of such payments made in respect of such taxable period in the aggregate shall not exceed the amount that Holdings and its Subsidiaries would have been required to pay as a stand-alone consolidated, combined or similar income tax group and, in any event, shall be limited to the amount actually paid in cash with respect to such period; *provided* , *further* , that the permitted payment pursuant to this clause (iii) with respect to any Taxes of any Unrestricted Subsidiary for any taxable period shall be limited to the amount actually paid with respect to such period by such Unrestricted Subsidiary to the Borrowers or their Restricted Subsidiaries for the purposes of paying such consolidated, combined or similar income Taxes;

(iv) to finance any Investment that would be permitted to be made pursuant to Sections 7.02 and 7.08 if such parent were subject to such Sections as a Loan Party; *provided* that (A) such Restricted Payment shall be made substantially concurrently with the closing of such Investment, (B) such parent shall, immediately following the closing thereof, cause (1) all property acquired (whether assets or Equity Interests) to be contributed to any Borrower or their respective Restricted Subsidiaries that are Loan Parties or (2) the merger (to the extent permitted in Section 7.04) of the Person formed or acquired into the Borrowers or the Restricted Subsidiaries (with the Borrowers or the applicable Restricted Subsidiary that is a Loan Party being the surviving or continuing entity) in order to consummate such Permitted Acquisition or Investment, in each case, in accordance with the requirements of Section 6.11 and (C) such contribution shall constitute an Investment by the applicable Borrower or Restricted Subsidiary, as the case may be, at the date of such contribution or merger, as applicable, in an amount equal to the amount of such Restricted Payment; and

(v) the proceeds of which (A) shall be used to pay customary salary, bonus and other benefits payable to officers and employees of Holdings to the extent such salaries, bonuses and other benefits are attributable to the ownership or operation of the Borrowers and their Restricted Subsidiaries or (B) shall be used to make payments permitted under Sections 7.08(c) and (h) (but only to the extent such payments have not been and are not expected to be made by the Borrowers or a Restricted Subsidiary);

(k) so long as (i) no Default or Event of Default shall have occurred and be continuing or would otherwise result therefrom and (ii) Borrowers are in compliance with Section 7.11 on a Pro Forma Basis (after giving Pro Forma Effect to such Restricted Payment), Restricted Payments made by the Borrowers to the applicable Holding Companies, which shall be permitted to make such payment to Parent (or, in the case of Baseball, to Holdings and to each other owner of Equity Interests of Baseball based on their relative ownership interests of the relevant class of Equity Interests), using the lesser of (i) Available Amount at such time and (ii) $25,000,000 in any fiscal year of Parent;

(l) so long as no Default or Event of Default shall have occurred and be continuing or would otherwise result therefrom, other Restricted Payments made by the Borrowers to the applicable Holding Companies, which shall be permitted to make such payment to Parent (or, in the case of Baseball, to Holdings and to each other owner of Equity Interests of Baseball based on their relative ownership interests of the relevant class of Equity Interests) such that the Consolidated First Lien Net Leverage Ratio after giving pro forma effect to such payments and any related transactions would not exceed 2.00 to 1.00; *provided* that for the purpose of determining the Consolidated First Lien Net Leverage Ratio for purposes of this clause (i) only, Consolidated First Lien Net Debt shall be (x) deemed to include any Credit Agreement Refinancing Indebtedness and any Indebtedness incurred pursuant to Section 2.14 , 2.15 , 2.16 or Section 7.03(g) or (r) (and any Permitted Refinancing of the foregoing), regardless of whether secured on a first lien basis or at all) and (y) shall be calculated without giving effect to clause (b) of the definition thereof;

(m) on or prior to the date that is two Business Days following the Closing Date, Borrowers may make a one-time Restricted Payment to the applicable Holding Companies, which shall be permitted to make such payment to Parent, in an amount not to exceed the lesser of (i) the amount by which the Equity Contribution made by Parent in Holdings (and contributed in turn to Baseball) exceeds $186,000,000 and (ii) $30,000,000, so long as no Default or Event of Default exists or would result from the making of such Restricted Payment.

Notwithstanding anything herein to the contrary, no Restricted Payments may be made with any Cure Amount.

Section 7.07. Change in Nature of Business . Engage in any material line of business substantially different from those lines of business conducted by the Borrowers and the Restricted Subsidiaries on the Closing Date or any business reasonably related, complementary, corollary, synergistic or ancillary thereto (including related, complementary, synergistic or ancillary technologies) or reasonable extensions thereof.

Section 7.08. Transactions with Affiliates . Enter into any transaction of any kind with any Affiliate of Holdings, whether or not in the ordinary course of business, other than:

(e) transactions among the Borrowers and the Restricted Subsidiaries or any entity that becomes a Restricted Subsidiary as a result of such transaction;

(f) on terms substantially as favorable to a Borrower or their Restricted Subsidiary as would be obtainable by such Borrower or Restricted Subsidiary at the time in a comparable arm's-length transaction with a Person other than an Affiliate;

(g) the Transactions and the payment of Transaction Expenses as part of or in connection with the Transactions;

(h) [reserved];

(i) Restricted Payments permitted under Section 7.06 (but shall in no event include payment of any management fees);

(j) [reserved];

(k) [reserved];

(l) employment and severance arrangements between the Borrowers and their Restricted Subsidiaries and their respective officers and employees in the ordinary course of business and transactions pursuant to stock option plans and employee benefit plans and arrangements in the ordinary course of business;

(m) the payment of customary fees and reasonable out-of-pocket costs to, and indemnities provided on behalf of, directors, officers, employees and consultants of the Consolidated Parties (or any direct or indirect parent of Holdings in the ordinary course of business to the extent attributable to the ownership or operation of the Borrowers and their Restricted Subsidiaries;

(n) transactions pursuant to agreements, instruments or arrangements in existence on the Closing Date and set forth on Schedule 7.08 or any amendment thereto to the extent such an amendment is not adverse to the Lenders in any material respect;

(o) payments by the Borrowers or any of their Subsidiaries pursuant to any tax sharing agreements with any direct or indirect parent of Holdings to the extent attributable to the ownership or operation of the Borrowers and the Subsidiaries, but only to the extent permitted by Section 7.06(g)(iii) ; and

(p) the issuance or transfer of Qualified Equity Interests of Holdings to Parent.

Section 7.09. Burdensome Agreements . Enter into or permit to exist any Contractual Obligation (other than this Agreement or any other Loan Document) that limits the ability of:

(k) any Restricted Subsidiary of the Borrowers that is not a Guarantor to make Restricted Payments to the Borrowers or any Subsidiary Guarantor; or

(l) any Loan Party to create, incur, assume or suffer to exist Liens on property of such Person for the benefit of the Lenders with respect to the Facilities and the Obligations; *provided* that the foregoing Sections 7.09(a) and (b) shall not apply to Contractual Obligations which:

(i) (x) exist on the Closing Date and (to the extent not otherwise permitted by this Section 7.09) are listed on Schedule 7.09 and (y) to the extent Contractual Obligations permitted by clause (x) are set forth in an agreement evidencing Indebtedness, are set forth in any agreement evidencing any permitted modification, replacement, renewal, extension or refinancing of such Indebtedness so long as such modification, replacement, renewal, extension or refinancing does not expand the scope of such

Contractual Obligation;

(ii) are binding on a Restricted Subsidiary at the time such Restricted Subsidiary first becomes a Restricted Subsidiary of the Borrowers, so long as such Contractual Obligations were not entered into in contemplation of such Person becoming a Restricted Subsidiary of the Borrowers and do not extend past such Restricted Subsidiary and its subsidiaries; *provided* , *further* , that this clause (ii) shall not apply to Contractual Obligations that are binding on a Person that becomes a Restricted Subsidiary pursuant to Section 6.14 ;

(iii) are customary provisions in joint venture agreements and other similar agreements applicable to joint ventures permitted under Section 7.02 and applicable solely to such joint venture and its equity entered into in the ordinary course of business;

(iv) are negative pledges and restrictions on Liens in favor of any holder of Indebtedness permitted under Section 7.03 but solely to the extent any negative pledge relates to the property financed by such Indebtedness and the proceeds, accessions and products thereof;

(v) are customary restrictions on leases, subleases, licenses or asset sale agreements otherwise permitted hereby so long as such restrictions relate to the property interest, rights or the assets subject thereto;

(vi) [reserved];

(vii) are customary provisions restricting subletting, transfer or assignment of any lease governing a leasehold interest of the Borrowers or any Restricted Subsidiary;

(viii) are customary provisions restricting assignment or transfer of any agreement entered into in the ordinary course of business;

(ix) arise in connection with cash or other deposits permitted under Sections 7.01 and 7.02 and limited to such cash or deposit;

(x) comprise restrictions imposed by any agreement governing Indebtedness entered into on or after the Closing Date and permitted under Section 7.03 that are, taken as a whole, no more restrictive with respect to the Borrowers or any Restricted Subsidiary than customary market terms for Indebtedness of such type (and, in any event, are no more restrictive than the restrictions contained in this Agreement), so such restrictions will not affect any Consolidated Party's obligation or ability to make any payments required hereunder;

(xi) are restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;

(xii) are restrictions regarding licensing or sublicensing by the Restricted Parties of the Borrowers of intellectual property in the ordinary course of business; and

(xiii) are restrictions on cash earnest money deposits in favor of sellers in connection with acquisitions not prohibited hereunder.

Section 7.10. [RESERVED].

Section 7.11. Consolidated Total Net Leverage Ratio . Permit the Consolidated Total Net Leverage Ratio calculated on a Pro Forma Basis as of the last day of any Test Period ending during a period set forth below to be greater than the ratio set forth below opposite the last day of such period below:

Period	Consolidated Total Net Leverage Ratio
Closing Date through September 30, 2016	5.75 to 1.00
October 1, 2016, through September 30, 2017	5.00 to 1.00
October 1, 2017, through December 31, 2017	4.25 to 1.00
January 1, 2018, through December 31, 2018	3.50 to 1.00
January 1, 2019, through Latest Maturity Date	3.00 to 1.00

Section 7.12. Fiscal Year . Make any change in its fiscal year; *provided* , *however* , that the Borrowers may, upon written notice to the Administrative Agent, change its fiscal year on no more than one occasion to any other fiscal year reasonably acceptable to the

Administrative Agent, in which case, the Borrowers and the Administrative Agent will, and are hereby authorized by the Lenders to, make any adjustments to this Agreement that are necessary to reflect such change in fiscal year.

Section 7.13. Prepayments, Etc. of Subordinated Indebtedness .

(a) Prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner (it being understood that payments of regularly scheduled principal, interest and mandatory prepayments and AHYDO payments and, in connection with the amendment of any Junior Financing, the payment of fees (other than in connection with any amendment that reduces or forgives the commitments, outstanding principal amount or effective yield of such Junior Financing) shall, subject to the subordination terms applicable thereto, be permitted) any (a) Indebtedness subordinated in right of payment incurred under Section 7.03 , or (b) any other Indebtedness for borrowed money of a Loan Party that is (x) subordinated in right of payment to the Obligations expressly by its terms or (y) is secured on a junior lien basis to the Liens securing the Obligations (other than Indebtedness among the Borrowers and their Restricted Subsidiaries) (collectively, " **Junior Financing** "), except (i) the refinancing thereof with any Indebtedness (to the extent such Indebtedness constitutes a Permitted Refinancing and, if such Indebtedness was originally incurred under Section 7.03(g) , is permitted pursuant to Section 7.03(g)), to the extent not required to prepay any Loans pursuant to Section 2.05(b) , (ii) the conversion or exchange of any Junior Financing to Qualified Equity Interests of Holdings or any of its direct or indirect parents, (iii) the prepayment of Indebtedness of the Borrowers or any Restricted Subsidiary to the Borrowers or any Restricted Subsidiary and (iv) repayments, redemptions, purchases, defeasances and other payments in respect of Junior Financings prior to their scheduled maturity in an aggregate amount not to exceed the sum of (1) the greater of $10,000,000 and 10% of LTM EBITDA, in each case determined as of the date of such repayment, redemption, purchase, defeasance, or other payment and (2) the Available Amount at such time; *provided* that in each case, (x) no Default or Event of Default exists or would result from the making of such repayment, redemption, purchase, defeasance or other payment and (y) after giving effect thereto, the Consolidated Total Net Leverage Ratio is less than or equal to 2.50 to 1.0.

(b) Amend, modify or change in any manner materially adverse to the interests of the Lenders any term or condition of any Junior Financing Documentation (except to the extent permitted pursuant to any subordination agreement or Customary Intercreditor Agreement applicable thereto) without the consent of the Administrative Agent, acting at the direction of the Required Lenders.

Notwithstanding anything to the contrary in any Loan Document, the Borrowers may make regularly scheduled payments of interest and fees on any Junior Financing, and may make any payments required by the terms of such Indebtedness in order to avoid the application of Section 163(e)(5) of the Code to such Indebtedness.

Section 7.14. Permitted Activities . With respect to any Holding Company, engage in any material operating or business activities including, without limitation, the formation of any Subsidiary or the acquisition of any Person; *provided* that the following and any activities incidental thereto shall be permitted in any event: (i) its ownership of the Equity Interests of (A) in the case of Holdings, TaxACT and Baseball, (B) in the case of Baseball, HDV Holdings, and (C) in the case of HDV Holdings, HDVest, and, in each case, activities incidental thereto, including payment of dividends and other amounts in respect of such Equity Interests, (ii) the maintenance of its legal existence (including the ability to incur fees, costs and expenses relating to such maintenance), (iii) the performance of its obligations with respect to the Loan Documents and any other documents governing Indebtedness permitted hereby, (iv) any issuance or sale of its Qualified Equity Interests, (v) any activities incidental to compliance with the provisions of the Securities Act of 1933 and the Exchange Act of 1934, as amended, any rules and regulations promulgated thereunder, and similar laws and regulations of other jurisdictions and the rules of securities exchanges, in each case, as applicable to companies with listed equity or debt securities, as well as activities incidental to investor relations, shareholder meetings and reports to shareholders or debtholders, (vi) activities required to comply with applicable laws, (vii) (1) Guarantees in respect of Indebtedness of the Borrowers and their Restricted Subsidiaries permitted under Section 7.03 , including any Permitted Refinancing thereof and (2) guarantees of other obligations not constituting Indebtedness incurred by the Borrowers or any of their Restricted Subsidiaries, (viii) if applicable, participating in tax, accounting and other administrative matters as a member of the consolidated group of the Holding Companies and the Borrowers, (ix) holding any cash or Cash Equivalents, (x) making of any Restricted Payments or Investments permitted hereunder including the formation of any Subsidiary in connection with any Investments permitted hereunder, (xi) entering into employment agreements and other arrangements with, including providing indemnification to, officers and directors, (xii) establishing and maintaining bank accounts, (xiii) the obtainment of, and the payment of any fees and expenses for, management, consulting, investment banking and advisory services to the extent otherwise permitted by this Agreement, and (xiv) any activities incidental or reasonably related to the foregoing.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.01. Events of Default . Any of the following from and after the Closing Date shall constitute an event of default (an " **Event of Default** "):

(hh) *Non-Payment* . Any Loan Party fails to pay (i) when and as required to be paid herein, any amount of principal of any Loan or (ii) within five Business Days after the same becomes due, any interest on any Loan or any fees or other amounts payable hereunder or with respect to any other Loan Document; or

(ii) *Specific Covenants* . Any Consolidated Party fails to perform or observe any term, covenant or agreement applicable to it contained in (i) any of Section 6.03(a) , 6.05(a) (solely with respect to the Parent, and Holding Company or any Borrower), Section 6.13(b) , Section 6.16 or Article VII (other than Section 7.11), (ii) Section 7.11 ; *provided* that the covenant in Section 7.11 is subject to cure pursuant to Section 8.04 , or (iii) Section 6.01 and such failure continues for five Business Days; or

(jj) *Other Defaults* . Any Loan Party or Parent fails to perform or observe any other covenant or agreement (not specified in Section 8.01(a) , (b) or (d)) contained in any Loan Document on its part to be performed or observed and such failure continues for 30 days after receipt by the Borrower Representative of written notice thereof from the Administrative Agent; or

(kk) *Representations and Warranties* . Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of any Loan Party herein, in any other Loan Document, or in any document required to be delivered in connection herewith or therewith shall be incorrect in any material respect (or, in the case of any representation and warranty that is qualified as to "materiality," "Material Adverse Effect" or similar language, shall be incorrect in any respect) when made or deemed made; or

(ll) *Cross-Default* . Any Loan Party or any Restricted Subsidiary (A) fails to make any payment beyond the applicable grace period, if any, whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise, in respect of any Indebtedness (other than Indebtedness hereunder) having an aggregate outstanding principal amount of not less than the Threshold Amount, or (B) fails to observe or perform any other agreement or condition relating to any such Indebtedness, or any other event occurs (other than, with respect to Indebtedness consisting of Swap Contracts, termination events or equivalent events pursuant to the terms of such Swap Contracts and not as a result of any default thereunder by any Loan Party), the effect of which default or other event is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause (after delivery of any notice if required and after giving effect to any waiver, amendment, cure or grace period), with the giving of notice if required, such Indebtedness to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity; *provided* that this clause (B) 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, if such sale or transfer is permitted hereunder; or

(mm) *Insolvency Proceedings, Etc.* Other than with respect to any dissolutions otherwise permitted hereunder, Parent, any Loan Party or any Material Subsidiary 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 becomes unable, admits in writing its inability or fails generally to pay its debts as they become due; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator, administrator, administrative receiver or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator, administrator, administrative receiver or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for 60 calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for 60 consecutive calendar days, or an order for relief is entered in any such proceeding; or

(nn) *Judgments* . There is entered against any Loan Party or any Restricted Subsidiary a final judgment or order for the payment of money in an aggregate amount exceeding the Threshold Amount (to the extent not covered by independent third-party insurance as to which the insurer has been notified of such judgment or order and has not denied coverage; and such judgment or order shall not have been satisfied, vacated, discharged or stayed or bonded pending an appeal for a period of 60 consecutive days; or

(oo) *Invalidity of Loan Documents* . Any material provision of the Loan Documents, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder (including as a result of a transaction permitted under Section 7.04 or 7.05) or as a result of acts or omissions by the Administrative Agent or any Lender or the satisfaction in full of all the Obligations (other than contingent obligations not yet due and owing and Cash Collateralized or backstopped Letters of Credit), ceases to be in full force and effect; or any Loan Party contests in writing the validity or enforceability of any provision of any Loan Document or the validity or priority of a Lien as required by the Collateral Documents on a material portion of the Collateral; or any Loan Party denies in writing that it has any or further liability or obligation under any Loan Document (other than as a result of repayment in full of the Obligations (other than in accordance with its terms) and termination of the Aggregate Commitments), or purports in writing to revoke or rescind any Loan Document (other than in accordance with its terms); or

(pp) *Change of Control* . There occurs any Change of Control; or

(qq) *Collateral Documents* . (i) Any Collateral Document after delivery thereof pursuant to Section 4.01 , 6.11 or 6.13 shall for any reason (other than pursuant to the terms thereof including as a result of a transaction not prohibited under this Agreement) cease to create a valid and perfected Lien, with the priority required by the Collateral Documents on and security interest in any material portion of the Collateral purported to be covered thereby, subject to Liens permitted under Section 7.01 , (A) except to the extent that any such perfection or priority is not required pursuant to the Collateral and Guarantee Requirement or results from the failure of the Administrative Agent to maintain possession of certificates actually delivered to it representing securities pledged under the Collateral Documents or to file Uniform Commercial Code continuation statements or take other required actions and (B) except as to Collateral consisting of Real Property to the

extent that such losses are covered by a lender's title insurance policy and such insurer has been notified of such losses and has not denied coverage, or (ii) any of the Equity Interests of either Borrower or any Holding Company (in the case of Baseball, to the extent such Equity Interests are owned by Holdings) shall for any reason cease to be pledged pursuant to the Collateral Documents; or

(rr) *Guarantees* . Any Guarantee of any Guarantor contained in Article XI or any Guarantee of the Parent pursuant to the Parent Guaranty shall cease, for any reason, to be in full force and effect in any material respect, other than as provided for in Section 11.09 or in such Parent Guaranty, as applicable, or as any Loan Party or any Affiliate of any such Loan Party shall so assert; or

(ss) *ERISA* . (i) An ERISA Event or Foreign Plan Event occurs which has resulted or would reasonably be expected to result in liability of a Loan Party, a Restricted Subsidiary or an ERISA Affiliate in an aggregate amount which would reasonably be expected to result in a Material Adverse Effect, or (ii) a Loan Party, any Restricted Subsidiary or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount which would reasonably be expected to result in a Material Adverse Effect.

(tt) *Junior Financing Documentation* . (i) Any of the Obligations of the Loan Parties under the Loan Documents for any reason shall cease to be (A) "Senior Debt," "Senior Indebtedness," "Guarantor Senior Debt" or "Senior Secured Financing" (or any comparable term) under, and as defined in, any Junior Financing Documentation and (B) "First Lien Obligations" (or any comparable term) under, and as defined in, the Customary Intercreditor Agreement under, and as defined in any Junior Financing Documentation or (ii) the subordination provisions set forth in any Junior Financing Documentation, or the subordination agreement with respect thereto, shall, in whole or in part, cease to be effective or cease to be legally valid, binding and enforceable against the holders of any Junior Financing, if applicable.

Section 8.02. Remedies Upon Event of Default . If any Event of Default occurs and is continuing, the Administrative Agent, at the request of the Required Lenders, shall take any or all of the following actions:

(ll) declare the commitment of each Lender to make Loans and any obligation of the L/C Issuers to make L/C Credit Extensions to be terminated, whereupon such commitments and obligation shall be terminated;

(mm) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrowers (to the extent permitted by applicable law);

(nn) require that the Borrowers Cash Collateralize the L/C Obligations (in an amount equal to 103 of the then Outstanding Amount thereof); and

(oo) exercise (or direct the Collateral Agent to exercise) on behalf of itself and the Lenders all rights and remedies available to it and the Lenders under the Loan Documents or applicable Law;

provided that upon the occurrence of any event described in Section 8.01(f) (but without giving effect to any grace periods contemplated therein (other than the grace period for any non-consensual insolvency)) with respect to a Holding Company or a Borrower under the U.S. Bankruptcy Code or any Debtor Relief Laws, the obligation of each Lender to make Loans and any obligation of the L/C Issuers to make L/C Credit Extensions shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable and the obligation of the Borrowers to Cash Collateralize the L/C Obligations as aforesaid shall automatically become effective, in each case without further act of the Administrative Agent or any Lender.

Section 8.03. Application of Funds . After the exercise of remedies provided for in Section 8.02 (or after the Loans have automatically become immediately due and payable and the L/C Obligations have automatically been required to be Cash Collateralized as set forth in the proviso to Section 8.02), any amounts received on account of the Obligations shall be applied by the Administrative Agent in the following order (to the fullest extent permitted by mandatory provisions of applicable Law):

First , to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (other than principal and interest, but including Attorney Costs payable under Section 10.04 and amounts payable under Article III) payable to the Administrative Agent or Collateral Agent in their capacities as such hereunder;

Second , to the payment in full of Unfunded Participations (the amounts so applied to be distributed among the LC Issuers *pro rata* in accordance with the amounts of Unfunded Participations owed to them on the date of any such distribution);

Third , to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders hereunder (including Attorney Costs payable under Section 10.04 and amounts payable under Article III), ratably among them in proportion to the amounts described in this clause Third payable to them;

Fourth , to payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans and L/C Borrowings, and any fees, premiums and scheduled periodic payments due under Treasury Services Agreements or Secured Hedge

Agreements, ratably among the Secured Parties in proportion to the respective amounts described in this clause Fourth payable to them;

Fifth , to payment of that portion of the Obligations constituting unpaid principal of the Loans and L/C Borrowings (including to Cash Collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit), and any breakage, termination or other payments under Treasury Services Agreements or Secured Hedge Agreements, ratably among the Secured Parties in proportion to the respective amounts described in this clause Fifth held by them;

Sixth , to the payment of all other Obligations of the Loan Parties that are due and payable to the Administrative Agent and the other Secured Parties on such date, ratably based upon the respective aggregate amounts of all such Obligations owing to the Administrative Agent and the other Secured Parties on such date; and

Last , the balance, if any, after all of the Obligations then earned, due and payable have been paid in full, to the Borrowers or as otherwise required by Law.

Subject to Section 2.03(c) , amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fifth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above and, if no Obligations remain outstanding, to the Borrowers as applicable or as otherwise required by any Customary Intercreditor Agreement. Notwithstanding the foregoing, no amounts received from any Guarantor shall be applied to any Excluded Swap Obligation of such Guarantor.

Section 8.04. Borrowers' Right to Cure . Notwithstanding anything to the contrary contained in Section 8.01 or Section 8.02 :

(p) For the purpose of determining whether an Event of Default under Section 7.11 has occurred, the Borrower Representative may on one or more occasions designate any portion of the net cash proceeds from a sale or issuance to Parent of Qualified Equity Interests of Holdings or any cash contribution to the common capital of Holdings (the " **Cure Amount** ") as an increase to Consolidated EBITDA for the applicable fiscal quarter; *provided* that (A) such amounts to be designated (i) are actually received by either Borrower after the end of such fiscal quarter and on or prior to the fifteenth Business Day after the date on which financial statements are required to be delivered with respect to such applicable fiscal quarter (the " **Cure Expiration Date** ") and (ii) do not exceed the aggregate amount necessary to cure any Event of Default under Section 7.11 as of such date and (B) the Borrower Representative shall have provided notice (the " **Notice of Intent to Cure** ") to the Administrative Agent that such amounts are designated as a Cure Amount (it being understood that to the extent such notice is provided in advance of delivery of a Compliance Certificate for the applicable period, the amount of such net cash proceeds that is designated as the Cure Amount may be lower than specified in such notice to the extent that the amount necessary to cure any Event of Default under Section 7.11 is less than the full amount of such originally designated amount). The Cure Amount shall be added to Consolidated EBITDA for the applicable fiscal quarter and included in any Test Period that includes such fiscal quarter.

(q) The parties hereby acknowledge that this Section 8.04 may not be relied on for purposes of calculating any financial ratios other than for determining actual compliance with Section 7.11 and shall not result in any adjustment to any amounts (including the amount of clause (c) or (d) of the Available Amount, Indebtedness (other than as set forth in Section 8.04(d)(ii)), Total Assets, Consolidated First Lien Net Debt, Consolidated Secured Net Debt or Consolidated Total Net Debt or any other calculation of net leverage or Indebtedness hereunder (whether directly by prepayment of debt or indirectly by way of netting) and shall not be included for purposes of determining pricing, mandatory prepayments and the availability or amount permitted pursuant to any covenant under Article VII) with respect to the quarter with respect to which such Cure Amount was made (or the period after such quarter but before delivery of the Notice of Intent to Cure) other than the amount of the Consolidated EBITDA referred to in Section 8.04(a) above.

(r) In furtherance of Section 8.04(a) above, (i) upon actual receipt and designation of the Cure Amount by either Borrower, the covenant under Section 7.11 shall be deemed retroactively cured with the same effect as though there had been no failure to comply with the covenant under such Section 7.11 and any Event of Default or potential Event of Default under Section 7.11 shall be deemed not to have occurred for purposes of the Loan Documents, (ii) no Lender or L/C Issuer shall be required to make any extension of credit hereunder during the fifteen (15) Business Day period referred to above unless a Borrower has actually received the proceeds of the Cure Amount, (iii) Borrowers shall not be permitted to make any Restricted Payments during the fifteen (15) Business Day period referred to above unless a Borrower has actually received the proceeds of the Cure Amount and no Cure Amount shall be made with the proceeds of any Restricted Payments made pursuant to Sections 7.06(f) and (h) and (iv) neither the Administrative Agent nor any Lender may exercise any rights or remedies under Section 8.02 (or under any other Loan Document) on the basis of any actual or purported Event of Default under Section 7.11 following receipt of a Notice of Intent to Cure until and unless the Cure Expiration Date has occurred without the Cure Amount having been received.

(s) (i) In each period of four consecutive fiscal quarters, there shall be at least two fiscal quarters in which no cure right set forth in this Section 8.04 is exercised and (ii) there shall be no *pro forma* reduction in Indebtedness with the Cure Amount for determining compliance with Section 7.11 for the fiscal quarter with respect to which such Cure Amount was made.

(t) There can be no more than four fiscal quarters in which the cure rights set forth in this Section 8.04 are exercised during the term of the Facilities.

ARTICLE IX

ADMINISTRATIVE AGENT AND OTHER AGENTS

Section 9.01. Appointment and Authority .

(pp) Each of the Lenders and the L/C Issuers hereby irrevocably appoints each Agent to act on its behalf as its Agent 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 or related thereto. The provisions of this Article IX (other than Sections 9.01 , 9.06 and 9.09 through and including 9.12) are solely for the benefit of the Administrative Agent, the Lenders and the L/C Issuers, and no Loan Party has rights as a third party beneficiary of any of such provisions. Without limiting the generality of the foregoing, the use of the term "agent" in this Agreement with reference to the Administrative Agent or the Collateral 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 merely as a matter of market custom and is intended to create or reflect only an administrative relationship between independent contracting parties.

(qq) The Administrative Agent shall also act as the "collateral agent" under the Loan Documents, and each of the Lenders (including in its capacities as a potential Bank), the L/C Issuers and the Swing Line Lender hereby irrevocably appoints and authorizes the Administrative Agent to act as the agent of such Lender, L/C Issuer and Swing Line Lender for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Secured Obligations, together with such powers and discretion as are reasonably incidental thereto. In this connection, the Administrative Agent, as "collateral agent," and any co-agents, sub-agents and attorneys-in-fact appointed by the Administrative Agent pursuant to Section 9.05 for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Collateral Documents, or for exercising any rights and remedies thereunder at the direction of the Administrative Agent, shall be entitled to the benefits of all provisions of this Article IX and Article X (including the second paragraph of Section 10.05), as though such co-agents, sub-agents and attorneys-in-fact were the "collateral agent" under the Loan Documents as if set forth in full herein with respect thereto. Without limiting the generality of the foregoing, the Lenders hereby expressly authorize the Administrative Agent to (i) execute any and all documents (including releases and Customary Intercreditor Agreements) with respect to the Collateral and the Guaranty (including any amendment, supplement, modification or joinder with respect thereto) and the rights of the Secured Parties with respect thereto, as contemplated by and in accordance with the provisions of this Agreement and the Collateral Documents and acknowledge and agree that any such action by any Agent shall bind the Lenders and (ii) negotiate, enforce or settle any claim, action or proceeding affecting the Lenders in their capacity as such, at the direction of the Required Lenders, which negotiation, enforcement or settlement will be binding upon each Lender.

Section 9.02. Rights as a Lender . The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with Parent or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

Section 9.03. Exculpatory Provisions . The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. The Collateral Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Collateral Agent's Lien thereon, or any certificate prepared by any Loan Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral. Without limiting the generality of the foregoing, the Administrative Agent:

(u) 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;

(v) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), *provided* that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may (i) expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law or (ii) be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law;

(w) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to Parent or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity;

(x) shall not 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 the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 10.01 and 8.02) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice describing such Default is given to the Administrative Agent by the Borrower Representative, a Lender or L/C Issuer; and

(y) shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or the creation, perfection or priority of any Lien purported to be created by the Collateral Documents, (v) the value or the sufficiency of any Collateral, or (vi) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

Section 9.04. Reliance by Administrative Agent . The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it in good faith to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it in good faith 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 a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or L/C Issuer, the Administrative Agent may presume that such condition is satisfactory to such Lender or L/C Issuer unless the Administrative Agent shall have received notice to the contrary from such Lender or L/C Issuer prior to the making of such Loan or the issuance, extension or increase of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrowers), 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.

Section 9.05. Delegation of Duties . The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article IX shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents. Each party to this Agreement acknowledges and agrees that the Administrative Agent may from time to time use one or more outside service providers for the tracking of all UCC financing statements (and/or other Collateral-related filings and registrations from time to time) required to be filed or recorded pursuant to the Loan Documents and the notification to the Administrative Agent, of, among other things, the upcoming lapse or expiration thereof, and that each of such service providers will be deemed to be acting at the request and on behalf of the Borrowers and the other Loan Parties. No Agent shall be liable for any action taken or not taken by any such service provider.

Section 9.06. Resignation of Administrative Agent . The Administrative Agent may at any time give notice of its resignation to the Lenders, the L/C Issuers and the Borrower Representative. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, with the consent of the Borrower Representative at all times other than upon the occurrence and during the continuation of an Event of Default under Section 8.01(a) or 8.01(f) (which consent of the Borrower Representative shall not be unreasonably withheld, conditioned or delayed), to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may on behalf of the Lenders and the L/C Issuers, appoint a successor Administrative Agent meeting the qualifications set forth above (including consent of the Borrower Representative); *provided* that if the Administrative Agent shall notify the Borrower Representative and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (a) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders or the L/C Issuers under any of the Loan Documents, the retiring Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (b) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender and the L/C Issuers directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this Section 9.06 . Upon the acceptance of a successor's appointment as

Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent, and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section 9.06). The fees payable by the Borrowers to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrowers and such successor. After the retiring Administrative Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article IX and Sections 10.04 and 10.05 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

Any resignation by Bank of Montreal as Administrative Agent pursuant to this Section 9.06 shall also constitute its resignation as L/C Issuer and Swing Line Lender. If Bank of Montreal resigns as L/C Issuer, it (x) shall not be required to issue any further Letters of Credit hereunder and (y) shall maintain all of its rights as L/C Issuer with respect to any Letters of Credit issued by it, as applicable, prior to the date of such resignation so long as such Letters of Credit, L/C Obligations remain outstanding and not otherwise Cash Collateralized in accordance with the terms herein. If Bank of Montreal resigns as Swing Line Lender, it shall retain all of the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by and outstanding as of the effective date of such resignation, including the right to request the Revolving Credit Lenders to make Loans or fund risk participations in outstanding Swing Line Loans pursuant to Section 2.04(c) . Upon the acceptance of a successor's appointment as Administrative Agent hereunder, (i) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swing Line Lender, (ii) the retiring L/C Issuer or Swing Line Lender shall be discharged from all of its respective duties and obligations hereunder or under the other Loan Documents, and (iii) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to the retiring L/C Issuer to effectively assume the obligations of the retiring L/C Issuer with respect to such Letters of Credit.

Section 9.07. Non-Reliance on Administrative Agent and Other Lenders . Each Lender and L/C Issuer acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and L/C Issuer also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

Section 9.08. No Other Duties, Etc . Anything herein to the contrary notwithstanding, none of the Administrative Agent, Collateral Agent, Arranger, Syndication Agent or Documentation Agent listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender or L/C Issuer hereunder.

Section 9.09. Administrative Agent May File Proofs of Claim . In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan or L/C Obligation 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 Borrowers) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(f) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Secured Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the L/C Issuers and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the L/C Issuers and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the L/C Issuers and the Administrative Agent under Sections 2.03(h) , 2.03(i) , 2.09 , 10.04 and 10.05) allowed in such judicial proceeding; and

(g) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and L/C Issuer to make such payments to the Administrative Agent and, if the Administrative Agent shall consent to the making of such payments directly to the Lenders and the L/C Issuers, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.09 , 10.04 and 10.05 .

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 or L/C Issuer any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or L/C Issuer to authorize the Administrative Agent to vote in respect of the claim of any Lender or L/C Issuer or in any such proceeding.

Section 9.10. Collateral and Guaranty Matters . Each Lender hereby agrees, and each holder of any Note by the acceptance thereof will be deemed to agree, that, except as otherwise set forth herein, any action taken by the Required Lenders in accordance with the provisions of this Agreement or the Collateral Documents, and the exercise by the Required Lenders of the powers set forth herein or therein, together with such other powers as are reasonably incidental thereto, shall be authorized and binding upon all of the Lenders. The Administrative Agent and the Collateral Agent are each hereby authorized on behalf of all of the Lenders, without the necessity of any notice to or further consent from any Lender, from time to time prior to the occurrence and continuance of an Event of Default, to take any action with respect to any Collateral or Collateral Documents which may be necessary to create, perfect and maintain perfected security interests in and liens upon the Collateral granted pursuant to the Collateral Documents. Each of the Lenders irrevocably authorizes each of the Administrative Agent and the Collateral Agent, at its option, and in its sole discretion:

(e) to enter into and sign for and on behalf of the Lenders as Secured Parties the Collateral Documents for the benefit of the Lenders and the other Secured Parties;

(f) to automatically release any Lien on any property granted to or held by such Agent under any Loan Document (i) upon termination of the Aggregate Commitments and payment in full of all Obligations (other than contingent obligations and Letters of Credit which have been Cash Collateralized or otherwise backstopped) and the expiration or termination of all Letters of Credit (other than Letters of Credit which have been Cash Collateralized or as to which other arrangements reasonably satisfactory to the Administrative Agent, the Collateral Agent and the L/C Issuers shall have been made), (ii) at the time the property subject to such Lien is Disposed or to be Disposed as part of or in connection with any Disposition permitted hereunder or under any other Loan Document, (iii) subject to Section 10.01 , if the release of such Lien is approved, authorized or ratified in writing by the Required Lenders or (iv) if the property subject to such Lien is owned by a Guarantor, upon release of such Guarantor from its obligations under its Guaranty pursuant to Section 9.10(d) ;

(g) to subordinate any Lien on any property granted to or held by such Agent under any Loan Document to another Lien (i) permitted to exist on such property and (ii) to be senior to the Liens of the Secured Parties under this Agreement; and

(h) to release any Subsidiary Guarantor from its obligations under the Guaranty if such Person ceases to be a Restricted Subsidiary or becomes an Excluded Subsidiary as a result of a transaction or designation permitted hereunder; *provided* that no such release shall occur if such Guarantor continues to be a guarantor in respect of any Credit Agreement Refinancing Indebtedness, any Junior Financing or any other Indebtedness having an aggregate principal amount in excess of the Threshold Amount.

Upon request by the Administrative Agent or the Collateral Agent at any time, the Required Lenders will confirm in writing such Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Subsidiary Guarantor from its obligations under the Guaranty pursuant to this Section 9.10 . In each case as specified in this Section 9.10 , such Agent will (and each Lender irrevocably authorizes each such Agent to), at the Borrowers' expense, execute and deliver to the applicable Loan Party such documents as such Loan Party may reasonably request to evidence the release of such item of Collateral from the assignment and security interest granted under the Collateral Documents or to subordinate its interest in such item, or to evidence the release of such Subsidiary Guarantor from its obligations under the Guaranty, in each case in accordance with the terms of the Loan Documents and this Section 9.10 .

Anything contained in any of the Loan Documents to the contrary notwithstanding, the Borrower, the Administrative Agent, the Collateral Agent and each Secured Party hereby agree that (i) no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce the Guarantee, it being understood and agreed that all powers, rights and remedies hereunder and under any of the Loan Documents may be exercised solely by the Administrative Agent or the Collateral Agent, as applicable, for the benefit of the Secured Parties in accordance with the terms hereof and thereof and all powers, rights and remedies under the Collateral Documents (other than any Guarantee in favor of the Administrative Agent, which may be exercised solely by the Administrative Agent) may be exercised solely by the Collateral Agent for the benefit of the Secured Parties in accordance with the terms thereof, (ii) in the event of a foreclosure or similar enforcement action by the Collateral Agent on any of the Collateral pursuant to a public or private sale or other disposition (including, without limitation, pursuant to Section 363(k), Section 1129(b)(2)(a)(ii) or otherwise of the U.S. Bankruptcy Code), the Collateral Agent or any Lender (except, in each case, with respect to a "credit bid" pursuant to Section 363(k), Section 1129(b)(2)(a)(ii) or otherwise of the U.S. Bankruptcy Code) may, in its own capacity and not as an agent for the other Lenders or Secured Parties, be the purchaser or licensor of any or all of such Collateral at any such sale or other disposition and (iii) the Collateral Agent, as agent for and representative of the Secured Parties (but not any Lender or Lenders in its or their respective individual capacities) shall be entitled, upon instructions from the Required Lenders, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such sale or disposition, to use and apply any of the Obligations as a credit on account of the purchase price for any Collateral payable by the Collateral Agent at such sale or other disposition.

Section 9.11. Secured Treasury Services Agreements and Secured Hedge Agreements . Except as otherwise expressly set forth herein or in any Guaranty or any Collateral Document, no Bank that obtains the benefits of Section 8.03 , any Guaranty or any Collateral by virtue of the provisions hereof or of any Guaranty or any Collateral Document shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Notwithstanding any other provision of this Article IX to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Treasury Services

Agreements and Secured Hedge Agreements unless the Administrative Agent has received written notice of such Secured Obligations, together with such supporting documentation as the Administrative Agent may request, from the applicable Bank.

The Banks hereby authorize the Administrative Agent to enter into any Customary Intercreditor Agreement, any other intercreditor agreement permitted under this Agreement, and any amendment, modification, supplement or joinder with respect thereto, and any such Customary Intercreditor Agreement or other intercreditor agreement is binding upon the Banks.

Section 9.12. Withholding Tax Indemnity. To the extent required by any applicable Laws, 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 authority of the United States or other jurisdiction asserts a claim that the Administrative Agent did not properly withhold Tax from amounts paid to or for the account of any Lender for any reason (including, without limitation, because the appropriate form was not delivered or not properly executed, or because such Lender failed to notify the Administrative Agent of a change in circumstance that rendered the exemption from, or reduction of, withholding Tax ineffective or if any payment has been made by the Administrative Agent to any Lender without applicable withholding tax being deducted from such payment), such Lender shall, within 30 days after written demand therefor, indemnify and hold harmless the Administrative Agent (to the extent that the Administrative Agent has not already been reimbursed by the Borrowers pursuant to Section 3.01 and 3.04 and without limiting or expanding the obligation of the Borrowers to do so) for all amounts paid, directly or indirectly, by the Administrative Agent as Taxes or otherwise, together with all expenses incurred, including legal expenses and any other out-of-pocket expenses, whether or not such Tax was 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 this Agreement or any other Loan Document against any amount due the Administrative Agent under this Section 9.12. The agreements in this Section 9.12 shall survive the resignation and/or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender and the repayment, satisfaction or discharge of all other Obligations.

ARTICLE X

MISCELLANEOUS

Section 10.01. Amendments, Etc. Except as otherwise set forth in this Agreement, no amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by any Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders (or by the Administrative Agent with the consent of the Required Lenders) and the Borrower Representative or the applicable Loan Party, as the case may be, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; *provided* that no such amendment, waiver or consent shall:

(l) extend or increase the Commitment or any Loan of any Lender without the written consent of each Lender holding such Commitment or Loan (it being understood that a waiver of any condition precedent set forth in Section 4.01 or 4.02, or the waiver of any Default, Event of Default, mandatory prepayment or mandatory reduction of any Commitments or Loans shall not constitute such an extension or increase);

(m) postpone any date scheduled for any payment of principal (including final maturity), interest or fees under Section 2.07, 2.08 or 2.09, respectively, without the written consent of each Lender directly and adversely affected thereby (it being understood that the waiver of (or amendment to the terms of) any mandatory prepayment of the Loans or any obligation of the Borrowers to pay interest at the Default Rate, any Default or Event of Default, mandatory prepayment or mandatory reduction of any Commitments shall not constitute such a postponement of any date scheduled for the payment of principal or interest and it further being understood that any change to the definition of "Consolidated First Lien Net Leverage Ratio" or the component definitions thereof shall not constitute a postponement of such scheduled payment);

(n) reduce or forgive the principal of, or the rate of interest specified herein on, any Loan or L/C Borrowing, or (subject to clause (iv) of the proviso to this Section 10.01 that appears immediately following clause (j) below) any prepayment penalty or premium, fees, reimbursement obligations or other amounts payable hereunder or under any other Loan Document (or extend the timing of payments of such prepayment penalty or premium, fees or other amounts) without the written consent of each Lender directly and adversely affected thereby (it being understood that (i) the waiver of (or amendment to the terms of) any obligation of the Borrowers to pay interest at the Default Rate, any mandatory prepayment of the Loans or mandatory reduction of any Commitments or any Default or Event of Default shall not constitute such a reduction or forgiveness and it further being understood that (ii) any change to the definition of "Consolidated First Lien Net Leverage Ratio" or the component definitions thereof shall not constitute a reduction or forgiveness in any rate of interest);

(o) change any provision of Section 2.12(a), 2.13, 8.03, or 10.07(a)(z) or the definition of "Pro Rata Share" in any manner that would alter the *pro rata* sharing of payments or other amounts required thereby or , without the written consent of each Lender directly and adversely affected thereby; *provided* that modifications to Section 2.12(a), 2.13 or 8.03 or the definition of "Pro Rata Share" in connection with (x) any Incremental Amendment or (y) any Extension Amendment, in each case, shall only require approval (to the extent any such approval is otherwise required) of the Required Lenders;

(p) change any provision of (i) this Section 10.01 or (ii) the definition "Required Lenders" or any other provision

specifying the number of Lenders or portion of the Loans or Commitments required to take any action under the Loan Documents to reduce the percentage set forth therein, without the written consent of each Lender directly and adversely affected thereby (it being understood that, with the consent of the Required Lenders (if such consent is otherwise required) or the Administrative Agent (if the consent of the Required Lenders is not otherwise required), additional extensions of credit pursuant to this Agreement may be included in the determination of the Required Lenders on substantially the same basis as the Term Commitments or Revolving Credit Commitments, as applicable);

(q) permit assignment of rights and obligations of either Borrower, without the written consent of each Lender;

(r) other than in connection with a transaction permitted under Section 7.04 or 7.05 , release all or substantially all of the Collateral in any transaction or series of related transactions, or other than in connection with Liens permitted under Section 7.01 to have a priority superior to that of the Liens granted hereunder or under any other Loan Document, subordinate the Collateral Agent's Liens on such Collateral, in each case, without the written consent of each Lender; including, for the avoidance of doubt, any amendment to Section 7.01 that has such effect;

(s) other than in connection with a transaction permitted under Section 7.04 or 7.05 , release the Parent Guaranty or all or substantially all of the value of the guarantees provided by the Guarantors, without the written consent of each Lender;

(t) affect the rights or duties of Lenders holding Loans or Commitments of a particular Class (but not the Lenders holding Loans or Commitments of any other Class), without the written consent of the requisite percentage in interest of the affected Class of Lenders that would be required to consent thereto if such Class of Lenders was the only Class;

(u) consent to the subordination of any of the Secured Obligations of the Loan Parties under the Loan Documents to any other Indebtedness, without the written consent of each Lender including for avoidance of doubt any amendment to Section 7.01 that has the effect of subordinating any Secured Obligations to such other Indebtedness; or

provided , *further* , that (i) no amendment, waiver or consent shall, unless in writing and signed by each L/C Issuer in addition to the Lenders required above, adversely affect the rights or duties of an L/C Issuer under this Agreement or any Letter of Credit Application relating to any Letter of Credit issued or to be issued by it; (ii) no amendment, waiver, or consent shall, unless in writing and signed by the Swing Line Lender, in addition to the Lenders required above, adversely affect the rights or duties of the Swing Line Lender under this Agreement; (iii) no amendment, waiver or consent shall, unless in writing and signed by the applicable Agent in addition to the Lenders required above, adversely affect the rights or duties of, or any fees or other amounts payable to, such Agent under this Agreement or any other Loan Document; (iv) Section 10.07(h) may not be amended, waived or otherwise modified without the consent of each Granting Lender all or any part of whose Loans are being funded by an SPC at the time of such amendment, waiver or other modification; (v) only the consent of the parties to the Commitment Letter or the Fee Letter shall be required to amend, modify or supplement the terms thereof; and (vi)(x) no Lender consent is required to effect an Incremental Amendment, Refinancing Amendment or Extension Amendment (except as expressly provided in Sections 2.14 , 2.15 , or 2.16 , as applicable) or to effect any amendment expressly contemplated by Section 7.12 and (y) in connection with an amendment in which any Class of Term Loans is refinanced with a replacement Class of term loans bearing (or is modified in such a manner such that the resulting term loans bear) a lower All-In Yield and other customary amendments related thereto (a " **Permitted Repricing Amendment** "), only the consent of the Lenders holding Term Loans subject to such permitted repricing transaction that will continue as a Lender in respect of the repriced tranche of Term Loans or modified Term Loans shall be required for such Permitted Repricing Amendment. Notwithstanding anything to the contrary herein, 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 Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended without the consent of such Lender, (y) the date scheduled for any payment of principal (including final maturity) of the loans of any Defaulting Lender may not be postponed without the consent of such Lender, and (z) any waiver, amendment or modification requiring the consent of all Lenders or each directly and adversely affected Lender that by its terms materially and adversely affects any Defaulting Lender to a greater extent than other affected Lenders shall require the consent of such Defaulting Lender.

Notwithstanding the foregoing, no Lender consent is required for the Administrative Agent to enter into or to effect any amendment, modification or supplement to any Customary Intercreditor Agreement or other intercreditor agreement or arrangement permitted under this Agreement or in any document pertaining to any Indebtedness permitted hereby that is permitted to be secured by the Collateral, including any Incremental Commitment, any Permitted Equal Priority Refinancing Debt or any Permitted Junior Priority Refinancing Debt, for the purpose of adding the holders of such Indebtedness (or their Senior Representative) as a party thereto and otherwise causing such Indebtedness to be subject thereto, in each case as contemplated by the terms of such Customary Intercreditor Agreement or other intercreditor agreement or arrangement (it being understood that any such amendment or supplement may make such other changes to the applicable intercreditor agreement as, in the good faith determination of the Administrative Agent, are required to effectuate the foregoing; *provided* that such other changes are not adverse, in any material respect (taken as a whole), to the interests of the Lenders); *provided* , *further* , that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent hereunder or under any other Loan Document without the prior written consent of the Administrative Agent.

Notwithstanding the foregoing, this Agreement may be amended (or amended and restated) with the written consent of the Required

Lenders, the Administrative Agent and the Borrowers (a) to add one or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Loan Documents with the Term Loans, Revolving Credit Loans and L/C Obligations and the accrued interest and fees in respect thereof and (b) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders.

In addition, notwithstanding the foregoing, this Agreement may be amended with the written consent of the Administrative Agent, the Borrowers and the Lenders providing the Replacement Term Loans (as defined below) to permit the refinancing of all or a portion of the outstanding Term Loans of any Class (" **Refinanced Term Loans** ") with one or more tranches of replacement term loans (" **Replacement Term Loans** ") hereunder; *provided* that (a) the aggregate principal amount of such Replacement Term Loans shall not exceed the aggregate principal amount of such Refinanced Term Loans (plus accrued interest, fees, expenses and premium), (b) the Weighted Average Life to Maturity of Replacement Term Loans shall not be shorter than the Weighted Average Life to Maturity of such Refinanced Term Loans, at the time of such refinancing, (c) such Replacement Term Loans must satisfy the requirements of Credit Agreement Refinancing Indebtedness and (d) all other terms applicable to such Replacement Term Loans shall be as agreed between the Borrowers and the Lenders providing such Replacement Term Loans.

Notwithstanding anything to the contrary contained in this Section 10.01 , guarantees, collateral security documents and related documents executed by the Loan Parties or the Subsidiaries in connection with this Agreement may be in a form reasonably determined by the Administrative Agent and may be, together with this Agreement, amended and waived with the consent of the Administrative Agent at the request of the Borrowers without the need to obtain the consent of any other Lender if such amendment or waiver is delivered in order (i) to comply with local Law or advice of local counsel or (ii) to cause such guarantee, collateral security document or other document to be consistent with this Agreement and the other Loan Documents.

Notwithstanding anything to the contrary contained in this Agreement, any Lender may assign all or a portion of its Term Loans in connection with a primary syndication of such Term Loans relating to any refinancing, extension, loan modification or similar transaction permitted by the terms of this Agreement, pursuant to cashless settlement mechanisms approved by the Borrowers, the Administrative Agent, the assignor Lender and the assignee of such Lender.

Notwithstanding the foregoing, only the consent of the Required Revolving Lenders shall be necessary to (i) amend, modify or waive any condition precedent set forth in Section 4.02 with respect to the making of Revolving Credit Loans or the issuance of Letters of Credit or (ii) except for any amendment, waiver or modification that would require the consent of each Revolving Credit Lender adversely affected thereby pursuant to the proviso to Section 10.01 , amend, modify or waive any provision of this Agreement that solely affects the Revolving Credit Lenders in respect of any Revolving Credit Facility, including the final scheduled maturity, interest, fees, prepayment penalties and voting.

Notwithstanding anything to the contrary contained in Section 10.01 , if at any time after the Closing Date, the Administrative Agent and the Borrower Representative shall have jointly identified an obvious error or any error or omission of a technical nature, in each case, in any provision of the Loan Documents, then the Administrative Agent and the Borrower Representative shall be permitted to amend such provision and such amendment shall become effective without any further action or consent of any other party to any Loan Document so long as the same is not objected to in writing by the Required Lenders within five Business Days following receipt of notice thereof.

Notwithstanding anything to the contrary contained in Section 10.01 , no Loan Party will, directly or indirectly, pay any remuneration or other thing of value, whether by way of additional interest, fee or otherwise, to any Lender (in its capacity as a Lender hereunder) as consideration for agreement by such Lender with any consent, amendment, waiver or other modification of any Loan Documents, unless such remuneration or other thing of value is offered to all Lenders and is paid to all such Lenders that so vote or agree in the time frame set forth in the solicitation documents relating to such modification.

Section 10.02. Notices and Other Communications .

(z) Notices; Effectiveness; Electronic Communications.

(i) *Notices Generally* . Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in Section 10.02(a)(ii)), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(A) if to the Borrowers, the Administrative Agent, the L/C Issuers or the Swing Line Lender, to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 10.02 ; and

(B) if to any other Lender, to the address, facsimile number, electronic mail address or telephone number specified in its Administrative Questionnaire.

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in Section 10.02(a)(ii) shall be effective as provided in such Section 10.02(a)(ii) .

(ii) *Electronic Communications* . Notices and other communications to the Lenders and the L/C Issuers hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent; *provided* that the foregoing shall not apply to notices to any Lender or L/C Issuer pursuant to Article II if such Lender or L/C Issuer, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Borrower Representative may, in their discretion, agree to accept notices and other communications to them hereunder by electronic communications pursuant to procedures approved by it; *provided* that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement); *provided* that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(aa) *The Platform* . THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the " **Agent Parties** ") have any liability to the Loan Parties, any Lender, any L/C Issuer or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of any Holding Company's, any Borrower's, any Restricted Subsidiary's or the Administrative Agent's transmission of the Borrower Materials through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party; *provided* , *however* , that in no event shall any Person have any liability to any other Person hereunder for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages); *provided* , *further* , that nothing in this sentence shall limit any Loan Party's indemnification obligations set forth herein.

(bb) *Change of Address, Etc* . Each of the Borrowers, the Administrative Agent, the L/C Issuers and the Swing Line Lender may change its address, e-mail address, facsimile or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, e-mail address facsimile or telephone number for notices and other communications hereunder by notice to the Borrower Representative, the Administrative Agent, the L/C Issuers and the Swing Line Lender. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, facsimile number and e-mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable Law, including United States Federal and state securities Laws, to make reference to the Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain Material Non-Public Information.

(cc) *Reliance by Administrative Agent, L/C Issuer and Lenders* . The Administrative Agent, the L/C Issuers and the Lenders shall be entitled to rely and act upon any notices (including telephonic Committed Loan Notices) purportedly given by or on behalf of the Borrowers even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrowers shall indemnify the Administrative Agent, each L/C Issuer, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrowers in accordance with Section 10.05 hereof. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

Section 10.03. No Waiver; Cumulative Remedies . No failure by any Lender, any L/C Issuer or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other

or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Loan Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by Law.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 8.02 for the benefit of all the Lenders and the L/C Issuers; *provided* , *however* , that the foregoing shall not prohibit (a) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (b) any L/C Issuer from exercising the rights and remedies that inure to its benefit (solely in its capacity as L/C Issuer, as the case may be) hereunder and under the other Loan Documents, (c) any Lender from exercising setoff rights in accordance with Section 10.09 (subject to the terms of Section 2.13) or (d) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any Debtor Relief Law; *provided* , *further* , that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section 8.02 and (ii) in addition to the matters set forth in clauses (b) , (c) and (d) of the preceding proviso and subject to Section 2.13 , any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

Section 10.04. Attorney Costs and Expenses . The Borrowers agree, on a joint and several basis, (a) if the Closing Date occurs, to pay or reimburse the Administrative Agent and the Arranger for all reasonable and documented out-of-pocket costs and expenses incurred in connection with the preparation, negotiation, syndication, execution, delivery and administration of this Agreement and the other Loan Documents, and any amendment, waiver, consent or other modification of the provisions hereof and thereof (whether or not the transactions contemplated thereby are consummated), and the consummation and administration of the transactions contemplated hereby and thereby, including all Attorney Costs, which shall be limited to Jones Day and, if reasonably necessary, one local counsel in each relevant jurisdiction (which may include a single special counsel acting in multiple jurisdictions) material to the interests of the Lenders taken as a whole and (b) from and after the Closing Date, to pay or reimburse the Administrative Agent, the L/C Issuers and the Lenders for all reasonable and documented out-of-pocket costs and expenses incurred in connection with the enforcement or protection of any rights or remedies under this Agreement or the other Loan Documents (including all such costs and expenses incurred during any legal proceeding, including any proceeding under any Debtor Relief Law, and including all respective Attorney Costs, which shall be limited to Attorney Costs of one counsel to the Administrative Agent and the Lenders taken as a whole and, if reasonably necessary, one local counsel in each relevant jurisdiction material to the interests of the Lenders taken as a whole and, solely in the case of an actual or perceived conflict of interest, one additional counsel in each relevant jurisdiction to each group of similarly situated affected parties). The agreements in this Section 10.04 shall survive the termination of the Aggregate Commitments and repayment of all other Obligations. All amounts due under this Section 10.04 shall be paid within 30 days following receipt by the Borrower Representative of an invoice relating thereto setting forth such expenses in reasonable detail. If any Loan Party fails to pay when due any costs, expenses or other amounts payable by it hereunder or under any Loan Document, such amount may be paid on behalf of such Loan Party by the Administrative Agent in its discretion following five Business Days' prior written notice to the Borrower Representative. For the avoidance of doubt, this Section 10.04 shall not apply to Taxes, except any Taxes that represent costs and expenses arising from any non-Tax claim.

Section 10.05. Indemnification by the Borrowers . The Borrowers, on a joint and several basis, shall indemnify and hold harmless each Agent, Agent-Related Person, Lender and Arranger and their respective controlled Affiliates and controlling Persons, and their respective officers, directors, employees, partners, agents, advisors and other representatives of each of the foregoing and their respective successors (collectively the " **Indemnitees** ") from and against any and all actual liabilities, obligations, losses, damages, penalties, claims, demands, actions, judgments, suits, costs, expenses and disbursements (including Attorney Costs but limited in the case of legal fees and expenses to the reasonable and documented or invoiced out-of-pocket fees, disbursements and other charges of one counsel to all Indemnitees taken as a whole and, if necessary, one local counsel for all Indemnitees taken as a whole in each relevant jurisdiction that is material to the interests of the Lenders, and solely in the case of an actual or perceived conflict of interest, where the Indemnitee affected by such conflict informs the Borrower Representative of such conflict and thereafter retains its own counsel one additional counsel in each relevant jurisdiction to each group of similarly situated affected Indemnitees) and any other counsel obtained with the Borrower Representative's consent (such consent not to be unreasonably withheld or delayed), joint or several, of any kind or nature whatsoever which may at any time be imposed on, incurred by or asserted against any such Indemnitee in any way relating to or arising out of or in connection with (a) the execution, delivery, enforcement, performance or administration of any Loan Document or any other agreement, letter or instrument delivered in connection with the transactions contemplated thereby or the consummation of the transactions contemplated thereby, (b) any Commitment, Loan or Letter of Credit or the use or proposed use of the proceeds therefrom including any refusal by an L/C Issuer to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit, or (c) any actual or alleged presence or Release of Hazardous Materials at, on, under or from any property or facility currently owned, leased or operated by the Loan Parties or any Subsidiary, or any Environmental Liability (other than any such presence, Release or Environmental Liability resulting solely from acts or omissions by Persons other than the Loan Parties or any of their Subsidiaries after the Administrative Agent sells the respective property pursuant to a foreclosure or has accepted a deed in lieu of foreclosure), or (d) any claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory (including any investigation of, preparation for, or defense of any pending claim, investigation, litigation or proceeding) (a " **Proceeding** ") and regardless of whether any Indemnitee is a party thereto or whether or not such Proceeding is brought by a Borrower or any

other person and, in each case, whether or not caused by or arising, in whole or in part, out of the negligence of the Indemnitee; *provided* that such indemnity shall not, as to any Indemnitee, be available (i) to the extent that such liabilities, obligations, losses, damages, penalties, claims, demands, actions, judgments, suits, costs, expenses or disbursements resulted from (x) the gross negligence, bad faith or willful misconduct of such Indemnitee or of any of its controlled Affiliates or their respective directors, officers, employees, partners, advisors or other representatives, as determined by a final non-appealable judgment of a court of competent jurisdiction, (y) a material breach of any obligations under this Agreement or any other Loan Document by such Indemnitee or any of its controlled Affiliates, as determined by a final non-appealable judgment of a court of competent jurisdiction or (z) any dispute solely among Indemnitees other than any claims against an Indemnitee in its capacity or in fulfilling its role as an administrative agent or arranger or any similar role under any Facility and other than any claims arising out of any act or omission of Holdings, the Borrowers, the Sponsor or any of their Affiliates or (ii) with respect to any settlement entered into by an Indemnitee without the Borrower Representative's written consent (such consent not to be unreasonably withheld or delayed). No Indemnitee shall be liable for any damages arising from the use by others of any information or other materials obtained through IntraLinks or other similar information transmission systems in connection with this Agreement, in each case, except to the extent any such damages are found in a final non-appealable judgment of a court of competent jurisdiction to have resulted from the gross negligence, bad faith or willful misconduct of, or a material breach of any obligations under this Agreement or any other Loan Document by, such Indemnitee or any of its controlled Affiliates, nor shall any Indemnitee, Loan Party or any Subsidiary have any liability for any special, punitive, indirect or consequential damages relating to this Agreement or any other Loan Document or arising out of its activities in connection herewith or therewith (whether before or after the Closing Date); it being agreed that this sentence shall not limit the indemnification obligations of Holdings or any Subsidiary (including, in the case of any Loan Party, in respect of any such damages incurred or paid by an Indemnitee to a third party and for any out-of-pocket expenses). In the case of an investigation, litigation or other proceeding to which the indemnity in this Section 10.05 applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by any Loan Party, any Subsidiary of any Loan Party, its directors, equity holders or creditors or an Indemnitee or any other Person, whether or not any Indemnitee is otherwise a party thereto and whether or not any of the transactions contemplated hereunder or under any of the other Loan Documents are consummated. By accepting the benefits hereof, each Indemnitee agrees to refund and return any and all amounts paid by the Borrowers to such Indemnitee to the extent items in clauses (w) through (y) above occur. All amounts due under this Section 10.05 shall be paid within 10 days after written demand therefor (together with backup documentation supporting such reimbursement request); *provided* , *however* , that such Indemnitee shall promptly refund such amount to the extent that there is a final judicial or arbitral determination that such Indemnitee was not entitled to indemnification rights with respect to such payment pursuant to the express terms of this Section 10.05 . The agreements in this Section 10.05 shall survive the resignation of the Administrative Agent, the replacement of any Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all the other Obligations. For the avoidance of doubt, this Section 10.05 shall not apply to Taxes, except any Taxes that represent liabilities, obligations, losses, damages, penalties, claims, demands, actions, prepayments, suits, costs, expenses and disbursements arising from any non-Tax claims.

To the extent that the Borrowers for any reason fail to indefeasibly pay any amount required under this Section 10.05 or Section 10.04 to be paid by it to the Administrative Agent or Collateral Agent (or any sub-agent thereof), the L/C Issuers, the Swing Line Lender or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent or Collateral Agent (or any such sub-agent), the L/C Issuers or such Related Party, as the case may be, such Lender's Pro Rata Share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; *provided* that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), the L/C Issuers or the Swing Line Lender in their capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent) any L/C Issuer or the Swing Line Lender in connection with such capacity. The obligations of the Lenders under this paragraph are subject to the provisions of Section 2.12(e) .

Section 10.06. Payments Set Aside . To the extent that any payment by or on behalf of the Borrowers is made to the Administrative Agent, any L/C Issuer or any Lender, or the Administrative Agent, any L/C Issuer or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, any L/C Issuer or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and L/C Issuer severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, *plus* interest thereon from the date of such demand to the date such payment is made at a rate *per annum* equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders and the L/C Issuers under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

Section 10.07. Successors and Assigns .

(i) 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 Borrowers may not assign or otherwise transfer any of their rights or obligations hereunder or any of the other Loan Documents without the prior written consent of the Administrative Agent and each Lender (except as permitted by Section 7.04), and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Assignee pursuant to an assignment made in accordance with the provisions of Section 10.07(b) (such an assignee, an " **Eligible Assignee** "), (ii) by way of participation in accordance with the provisions of Section 10.07(e) , (iii) by way of pledge or assignment of a security interest

subject to the restrictions of Section 10.07(g) or (iv) to an SPC in accordance with the provisions of Section 10.07(h) , and any other attempted assignment or transfer by any party hereto shall be null and void; *provided* , *however* , that notwithstanding the foregoing, no Lender may assign or transfer by participation any of its rights or obligations hereunder to (w) a Disqualified Lender, (x) any Person that is a Defaulting Lender, (y) a natural Person or (z) Parent, the Holding Companies, the Borrowers or any of their respective Subsidiaries. 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 Section 10.07(e) and, to the extent expressly contemplated hereby, the Indemnitees) any legal or equitable right, remedy or claim under or by reason of this Agreement. Notwithstanding anything to the contrary herein, the Administrative Agent shall not be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions hereof relating to Disqualified Lenders. Without limiting the generality of the foregoing, the Administrative Agent shall not (x) be obligated to ascertain, monitor or inquire as to whether any Lender or Participant or prospective Lender or Participant is a Disqualified Lender or (y) have any liability with respect to or arising out of any assignment or participation of Loans, or disclosure of confidential information, to any Disqualified Lender.

(j) (i) Subject to the conditions set forth in Section 10.07(a) above and Section 10.07(b)(ii) below, any Lender may at any time assign to one or more assignees (each, an " **Assignee** ") all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans (including for purposes of this Section 10.07(b) , participations in L/C Obligations and Swing Line Loans) at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld, conditioned or delayed) of:

(A) the Borrower Representative (on behalf of the Borrowers); *provided* that no consent of the Borrower Representative shall be required for (i) an assignment of all or a portion of the Term Loans to a Lender or to an Affiliate of a Lender or an Approved Fund thereof, (ii) an assignment of all or a portion of any Revolving Credit Commitments or Revolving Credit Exposure to a Revolving Credit Lender, an Affiliate of a Revolving Credit Lender or any Approved Fund thereof, (iii) an assignment after the occurrence and during the continuance of an Event of Default under Section 8.01(a) or Section 8.01(f) or (iv) an assignment in connection with the primary syndication of the Facilities previously identified to and consented to (such consent not to be unreasonably withheld, conditioned or delayed) by the Borrower Representative or the Borrowers; *provided* , *further* , that the Borrower Representative (on behalf of the Borrowers) shall be deemed to have consented to any such assignment unless it shall have objected thereto by written notice to the Administrative Agent within 10 Business Days after having received notice thereof;

(B) the Administrative Agent; *provided* that no consent of the Administrative Agent shall be required for an assignment (i) of all or any portion of a Term Loan to a Lender, an Affiliate of a Lender or an Approved Fund, (ii) of all or any portion of any Revolving Credit Commitments or Revolving Credit Exposure to a Revolving Credit Lender, an Affiliate of a Revolving Credit Lender or any Approved Fund thereof, or (iii) from an Agent to its Affiliates; and

(C) the Swing Line Lender and each L/C Issuer at the time of such assignment; *provided* that no consent of the Swing Line Lender and the L/C Issuers shall be required for any assignment not related to Revolving Credit Commitments or Revolving Credit Exposure.

Notwithstanding the foregoing or anything to the contrary set forth herein, to the extent any Lender is required to assign any portion of its Commitments, Loans and other rights, duties and obligations hereunder in order to comply with applicable Laws, such assignment may be made by such Lender without the consent of the Borrower Representative, the Administrative Agent, the Swing Line Lender, any L/C Issuer or any other party hereto so long as such Lender complies with the requirements of Section 10.07(b)(ii) .

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans of any Class, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $5,000,000 (in the case of each Revolving Credit Loan) and $1,000,000 (in the case of a Term Loan) unless each of the Borrower Representative and the Administrative Agent otherwise consents; *provided* that such amounts shall be aggregated in respect of each Lender and its Affiliates or Approved Funds, if any;

(B) the parties to each assignment shall (1) execute and deliver to the Administrative Agent an Assignment and Assumption via an electronic settlement system acceptable to the Administrative Agent or (2) if previously agreed with the Administrative Agent, manually execute and deliver to the Administrative Agent an Assignment and Assumption, together, in each case, with a processing and recordation fee of $3,500 (which fee may be waived or reduced in the sole discretion of the Administrative Agent);

(C) the Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire; and

(D) the Assignee shall execute and deliver to the Administrative Agent and the Borrower Representative the documentation described in Section 3.01(d) applicable to it.

This Section 10.07(b) shall not prohibit any Lender from assigning all or a portion of its rights and obligations among separate Facilities on a non- *pro rata* basis among such Facilities.

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 sub-participations, or other compensating actions, including funding, with the consent of the Borrower Representative 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 and participations in Letters of Credit in accordance with its Pro Rata Share. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

(k) Subject to acceptance and recording thereof by the Administrative Agent pursuant to Section 10.07(d) , from and after the effective date specified in each Assignment and Assumption, (1) the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and (2) the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 3.01 , 3.04 , 3.05 , 10.04 and 10.05 with respect to facts and circumstances occurring prior to the effective date of such assignment). Upon request, and the surrender by the assigning Lender of its Note, the applicable Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 10.07(c) shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 10.07(e) .

(l) The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrowers, shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of (and related interest amounts on) the Loans, L/C Obligations (specifying the Unreimbursed Amounts), L/C Borrowings and the amounts due under Section 2.03 , owing to, each Lender pursuant to the terms hereof from time to time (the " **Register** "). Upon its receipt of, and consent to, a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, an Administrative Questionnaire completed in respect of the assignee (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in Section 10.07(b)(ii)(B) above, if applicable, and the written consent of the Administrative Agent and, if required, the Borrowers, each L/C Issuer and the Swing Line Lender to such assignment and any applicable tax forms, the Administrative Agent shall (i) accept such Assignment and Assumption and (ii) promptly record the information contained therein in the Register. No assignment shall be effective unless it has been recorded in the Register as provided in this Section 10.07(d) . The entries in the Register shall be conclusive, absent manifest error, and the Borrowers, the Agents and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrowers, any Agent and any Lender, at any reasonable time and from time to time upon reasonable prior notice. This Section 10.07(d) and Section 2.11 shall be construed so that all Loans are at all times maintained in "registered form" within the meaning of Section 163(f), 871(h)(2) and 881(c)(2) of the Code and any related Treasury Regulations (or any other relevant or successor provisions of the Code or of such Treasury Regulations).

(m) Any Lender may at any time, sell participations to any Person (other than a natural person, a Disqualified Lender, a Defaulting Lender, Parent, any Consolidated Party or any Affiliate of Parent or any Consolidated Party) (each, a " **Participant** ") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations in L/C Obligations and Swing Line Loans) owing to it); *provided* that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrowers, the Agents and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and the other Loan Documents and to approve any amendment, modification or waiver of any provision of this Agreement or the other Loan Documents; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in clauses (a) through (h) of the first proviso to Section 10.01 that requires the affirmative vote of such Lender. Subject to Section 10.07(f) and a Participant's compliance with the requirements and the limitations of Section 3.01(d) (it being understood that any forms, information or other documentation required under such Sections shall be delivered to the participating Lender), the Borrowers agree that each Participant shall be entitled to the benefits of Sections 3.01 , 3.04 and 3.05 (subject to the requirements and limitations of such Sections) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 10.07(c) . To the extent permitted by applicable Law, each Participant also shall be entitled to the benefits of Section 10.09 as though it were a Lender; *provided* that such Participant agrees to be subject to Section 2.13 as though it were a Lender. Each Lender that sells a participation or that is

a Granting Lender, as the case may be, shall, acting solely for this purpose as a non-fiduciary agent of the Borrowers, maintain a register on which it enters the name and address of each Participant and SPC and the principal amounts of (and related interest amounts on) each Participant's and SPC's interest in the Loans or other obligations under this Agreement (the " **Participant Register** "); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form within the meaning of Section 5f.103-1(c) of the U.S. Treasury Regulations or any other relevant or successor provisions of the Code or of such Treasury Regulations). 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 or portion of the Loan (if funded by an SPC), as applicable, 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.

(n) A Participant shall not be entitled to receive any greater payment under Section 3.01 , 3.04 or 3.05 than the participating Lender would have been entitled to receive with respect to the participation sold to such Participant, unless such entitlement to a greater payment results from a change in any Law after the sale of the participation takes place.

(o) Any Lender may, without the consent of any Borrower or the Administrative Agent, at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or any central bank having jurisdiction over such Lender; *provided* that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(p) Notwithstanding anything to the contrary contained herein, any Lender (a " **Granting Lender** ") may grant to a special purpose funding vehicle identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrowers (an " **SPC** ") the option to provide all or any part of any Loan that such Granting Lender would otherwise be obligated to make pursuant to this Agreement; *provided* that (i) nothing herein shall constitute a commitment by any SPC to fund any Loan, (ii) if an SPC elects not to exercise such option or otherwise fails to make all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof and (iii) such SPC and the applicable Loan or any applicable part thereof, shall be appropriately reflected in the Participant Register. Each party hereto hereby agrees that (i) an SPC shall be entitled to the benefit of Sections 3.01 , 3.04 and 3.05 (subject to the requirements and the limitations of such Section), but neither the grant to any SPC nor the exercise by any SPC of such option shall increase the costs or expenses or otherwise increase or change the obligations of the Borrowers under this Agreement except, in the case of Section 3.01 , to the extent that the grant to the SPC was made with the prior written consent of the Borrower Representative (not to be unreasonably withheld, conditioned or delayed; for the avoidance of doubt, the Borrower Representative shall have reasonable basis for withholding consent if an exercise by SPC immediately after the grant would result in materially increased indemnification obligation to the Borrowers at such time), (ii) no SPC shall be liable for any indemnity or similar payment obligation under this Agreement for which a Lender would be liable, and (iii) the Granting Lender shall for all purposes, including the approval of any amendment, waiver or other modification of any provision of any Loan Document, remain the lender of record hereunder. The making of a Loan by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. Notwithstanding anything to the contrary contained herein, any SPC may (i) with notice to, but without prior consent of the Borrower Representative and the Administrative Agent and with the payment of a processing fee of $3,500, assign all or any portion of its right to receive payment with respect to any Loan to the Granting Lender and (ii) disclose on a confidential basis any non-public information relating to its funding of Loans to any rating agency, commercial paper dealer or provider of any surety or Guarantee or credit or liquidity enhancement to such SPC.

(q) Notwithstanding anything to the contrary contained herein, without the consent of the Borrower Representative or the Administrative Agent, (1) any Lender may in accordance with applicable Law create a security interest in all or any portion of the Loans owing to it and the Note, if any, held by it and (2) any Lender that is a Fund may create a security interest in all or any portion of the Loans owing to it and the Note, if any, held by it to the trustee for holders of obligations owed, or securities issued, by such Fund as security for such obligations or securities; *provided* that unless and until such trustee actually becomes a Lender in compliance with the other provisions of this Section 10.07 , (i) no such pledge shall release the pledging Lender from any of its obligations under the Loan Documents and (ii) such trustee shall not be entitled to exercise any of the rights of a Lender under the Loan Documents even though such trustee may have acquired ownership rights with respect to the pledged interest through foreclosure or otherwise.

(r) Notwithstanding anything to the contrary contained herein, any L/C Issuer may, upon 30 days' notice to the Borrower Representative and the Lenders, resign as an L/C Issuer; *provided* that on or prior to the expiration of such 30-day period with respect to such resignation, the relevant L/C Issuer shall have identified a successor L/C Issuer reasonably acceptable to the Borrower Representative willing to accept its appointment as successor L/C Issuer. In the event of any such resignation of an L/C Issuer, the Borrower Representative shall be entitled to appoint from among the Lenders willing to accept such appointment a successor L/C Issuer hereunder; *provided* that no failure by the Borrower Representative to appoint any such successor shall affect the resignation of the relevant L/C Issuer, except as expressly provided above. If an L/C Issuer resigns as an L/C Issuer, it shall retain all the rights and obligations of an L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as an L/C Issuer and all L/C Obligations with respect thereto (including the right to require the Lenders to make ABR Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c)).

Section 10.08. Confidentiality . Each of the Agents and the Lenders agrees to maintain the confidentiality of the Information, except that Information may be disclosed (a) to its Affiliates and its and its Affiliates' managers, administrators, directors, officers, employees, trustees, partners, investors, funding sources, investment advisers and agents, including accountants, legal counsel and other advisors on a "need to know basis" (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and agree to keep such Information confidential); (b) to the extent required or requested by any Governmental Authority or self-regulatory authority having or asserting jurisdiction over such Person (including any Governmental Authority regulating any Lender or its Affiliates); *provided* that the Administrative Agent or such Lender, as applicable, agrees that it will notify the Borrower Representative as soon as practicable in the event of any such disclosure by such Person (other than at the request of a regulatory or self-regulatory authority) unless such notification is prohibited by law, rule or regulation; (c) to the extent required by applicable Laws or regulations or by any subpoena or similar legal process; *provided* that the Administrative Agent or such Lender, as applicable, agrees that it will notify the Borrower Representative as soon as practicable in the event of any such disclosure by such Person (other than at the request of a regulatory or self-regulatory authority) unless such notification is prohibited by law, rule or regulation; (d) to any other party to this Agreement; (e) subject to an agreement containing provisions at least as restrictive as those of this Section 10.08 (or as may otherwise be reasonably acceptable to the Borrower Representative), to (i) any direct or indirect contractual counterparty to a Swap Contract, Eligible Assignee of or Participant in, or any prospective Eligible Assignee of or Participant in any of its rights or obligations under this Agreement, (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrowers and their obligations, this Agreement or payments hereunder (other than any Person whom the Borrowers have affirmatively denied to provide consent to assignment in accordance with Section 10.07(b)(i)(A)) or (iii) to a Federal Reserve Bank or any central bank having jurisdiction over any Agent or Lender; (f) with the prior written consent of the Borrower Representative; (g) to the extent such Information becomes publicly available other than as a result of a breach of this Section 10.08 or other obligation of confidentiality owed to the Borrowers, the Sponsor or their respective Affiliates or becomes available to the Administrative Agent, Collateral Agent, any Arranger, any Lender, any L/C Issuer or any of their respective Affiliates on a non-confidential basis from a source other than a Loan Party or any Sponsor or their respective Related Parties (so long as such source is not known (after due inquiry) to the Administrative Agent, the Collateral Agent, such Arranger, such Lender, such L/C Issuer or any of their respective Affiliates to be bound by confidentiality obligations to any Loan Party, the Sponsor or your respective Affiliates); (h) to any rating agency when required by it (it being understood that, prior to any such disclosure, such rating agency shall undertake to preserve the confidentiality of any Information relating to Loan Parties and their Subsidiaries received by it from such Lender) or to the CUSIP Service Bureau or any similar organization; (i) to the extent such information is independently developed by the Administrative Agent, Collateral Agent, any Arranger, any Lender, any L/C Issuer or any of their respective Affiliates; (j) subject to an agreement containing provisions at least as restrictive as those of this Section 10.08 (or as may otherwise be reasonably acceptable to the Borrower Representative), to any pledgee referred to in Section 10.07(g) ; or (k) 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 its rights hereunder or thereunder. In addition, the Agents and the Lenders may disclose the existence of this Agreement and publicly available information about this Agreement to market data collectors, similar service providers to the lending industry, and service providers to the Agents and the Lenders in connection with the administration, settlement and management of this Agreement, the other Loan Documents, the Commitments and the Credit Extensions. For the purposes of this Section 10.08 , " **Information** " means all information received from the Loan Parties relating to any Loan Party, its Affiliates or its Affiliates' directors, officers, employees, trustees, investment advisers or agents, other than any such information that is publicly available to any Agent, any L/C Issuer or any Lender prior to disclosure by any Loan Party other than as a result of a breach of this Section 10.08 or any other confidentiality obligation owed to any Loan Party or their Affiliates.

Section 10.09. Setoff . In addition to any rights and remedies of the Lenders provided by Law, upon the occurrence and during the continuance of any Event of Default, each Lender and its Affiliates (and the Administrative Agent, in respect of any unpaid fees, costs and expenses payable hereunder) is authorized at any time and from time to time, without prior notice to the Borrower Representative, any such notice being waived by the Borrower Representative (on its own behalf and on behalf of each Loan Party and each of its Subsidiaries) 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) (other than escrow, payroll, petty cash, trust and tax accounts) at any time held by, and other Indebtedness at any time owing by, such Lender and its Affiliates or the Administrative Agent to or for the credit or the account of the respective Loan Parties and their Subsidiaries against any and all Obligations owing to such Lender and its Affiliates or the Administrative Agent hereunder or under any other Loan Document, now or hereafter existing, irrespective of whether or not such Agent or such Lender or Affiliate shall have made demand under this Agreement or any other Loan Document and although such Obligations may be contingent or unmatured; *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 2.17 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, the L/C Issuers, 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. Each Lender agrees promptly to notify the Borrower Representative and the Administrative Agent after any such set off and application made by such Lender; *provided* that the failure to give such notice shall not affect the validity of such setoff and application. The rights of the Administrative Agent and each Lender under this Section 10.09 are in addition to other rights and remedies (including other rights of setoff) that the Administrative Agent and such Lender may have at Law.

Section 10.10. 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 any Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrowers. In determining whether the interest contracted for, charged or received by an Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

Section 10.11. Counterparts . This Agreement and each other Loan Document may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery by facsimile or other electronic transmission of an executed counterpart of a signature page to this Agreement and each other Loan Document shall be effective as delivery of an original executed counterpart of this Agreement and such other Loan Document. The Agents may also require that any such documents and signatures delivered by facsimile or other electronic transmission be confirmed by a manually signed original thereof; *provided* that the failure to request or deliver the same shall not limit the effectiveness of any document or signature delivered by facsimile or other electronic transmission.

Section 10.12. Integration . This Agreement, together with the other Loan Documents, comprises the complete and integrated agreement of the parties on the subject matter hereof and thereof and supersedes all prior agreements, written or oral, on such subject matter. Subject to Section 10.20 , in the event of any conflict between the provisions of this Agreement and those of any other Loan Document, the provisions of this Agreement shall control; *provided* that the inclusion of supplemental rights or remedies in favor of the Agents or the Lenders in any other Loan Document shall not be deemed a conflict with this Agreement. Each Loan Document was drafted with the joint participation of the respective parties thereto and shall be construed neither against nor in favor of any party, but rather in accordance with the fair meaning thereof.

Section 10.13. Survival of Representations and Warranties . All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

Section 10.14. 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; *provided* that the Lenders shall charge no fee in connection with any such amendment. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section 10.14 , if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent or the L/C Issuers, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

Section 10.15. GOVERNING LAW .

(e) THIS AGREEMENT AND EACH OTHER LOAN DOCUMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(f) ANY LEGAL ACTION OR PROCEEDING ARISING UNDER ANY LOAN DOCUMENT OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO ANY LOAN DOCUMENT, OR THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, SHALL BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY (BOROUGH OF MANHATTAN) OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF SUCH STATE, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH LOAN PARTY, EACH AGENT AND EACH LENDER CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THOSE COURTS AND AGREES THAT IT WILL NOT COMMENCE OR SUPPORT ANY SUCH ACTION OR PROCEEDING IN ANOTHER JURISDICTION. EACH LOAN PARTY, EACH AGENT AND EACH LENDER IRREVOCABLY WAIVES (TO THE EXTENT PERMITTED BY APPLICABLE LAW) ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF ANY LOAN DOCUMENT OR OTHER DOCUMENT RELATED THERETO. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENTS IN THE MANNER PROVIDED FOR NOTICES (OTHER THAN FACSIMILE) IN SECTION 10.02 . NOTHING IN THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE

LAW.

Section 10.16. WAIVER OF RIGHT TO TRIAL BY JURY. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.16.

Section 10.17. Binding Effect. This Agreement shall become effective when it shall have been executed and delivered by the Loan Parties and each other party hereto and the Administrative Agent shall have been notified by each Lender and L/C Issuer that each such Lender and L/C Issuer has executed it and thereafter shall be binding upon and inure to the benefit of the Loan Parties, each Agent and each Lender and their respective successors and assigns, in each case in accordance with Section 10.07 (if applicable) and except that no Loan Party shall have the right to assign its rights hereunder or any interest herein without the prior written consent of the Lenders except as permitted by Section 7.04.

Section 10.18. USA Patriot Act. Each Lender that is subject to the USA Patriot Act and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrowers that pursuant to the requirements of the USA Patriot Act, it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name, address and tax identification number of such Loan Party and other information regarding such Loan Party that will allow such Lender or the Administrative Agent, as applicable, to identify such Loan Party in accordance with the USA Patriot Act. This notice is given in accordance with the requirements of the USA Patriot Act and is effective as to the Lenders and the Administrative Agent. Additionally, each Loan Party agrees to provide to the Administrative Agent or any Lender from time to time all additional documentation and other information about such Loan Party required under applicable "know your customer" and anti-money laundering rules and regulations, including the USA Patriot Act, that has been reasonably requested in writing by the Administrative Agent or such Lender.

Section 10.19. No Advisory or Fiduciary Responsibility. 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), each Loan Party acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the Administrative Agent and the Arranger are arm's-length commercial transactions between the Loan Parties and their respective Affiliates, on the one hand, and the Administrative Agent, the Arranger and the Lenders, on the other hand, (B) each Loan Party has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) each Loan Party is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) the Administrative Agent, the Arranger and each Lender each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties or except as otherwise provided herein, has not been, is not, and will not be acting as an advisor, agent or fiduciary for each Loan Party or any of their respective Affiliates, or any other Person and (B) neither the Administrative Agent, the Arranger nor any Lender has any obligation to the Loan Parties or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Administrative Agent, the Arranger, the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Loan Parties and their respective Affiliates, and neither the Administrative Agent nor the Arranger nor any Lender has any obligation to disclose any of such interests to the Loan Parties or any of their respective Affiliates. To the fullest extent permitted by law, each Loan Party hereby waives and releases any claims that it may have against the Administrative Agent, the Arranger and the Lenders with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

Section 10.20. Intercreditor Agreements. Each Lender hereunder (a) agrees that it will be bound by and will take no actions contrary to the provisions of any Customary Intercreditor Agreement and (b) authorizes and instructs the Administrative Agent to enter into any Customary Intercreditor Agreement as Administrative Agent and on behalf of such Lender. In the event of any conflict or inconsistency between the provisions of any Customary Intercreditor Agreement and this Agreement, the provisions of such Customary Intercreditor Agreement shall control.

ARTICLE XI

GUARANTEE

Section 11.01. The Guarantee. Each Guarantor hereby jointly and severally with the other Guarantors guarantees, as a primary obligor and not merely as a surety to each Secured Party and their respective permitted successors and assigns, the prompt payment in full when due (whether at stated maturity, by required prepayment, declaration, demand, by acceleration or otherwise) of the principal of and interest (including any interest, fees, costs or charges that would accrue but for the provisions of (i) the Title 11 of the United States Code

after any bankruptcy or insolvency petition under Title 11 of the United States Code and (ii) any other Debtor Relief Laws) on the Loans made by the Lenders to, and the Notes held by each Lender of, the Borrowers, and all other Secured Obligations from time to time owing to the Secured Parties by any Loan Party under any Loan Document or any Secured Hedge Agreement or any Treasury Services Agreement, in each case strictly in accordance with the terms thereof (such obligations, including any future increases in the amount thereof, being herein collectively called the " **Guaranteed Obligations** "); *provided* , *however* , that Guaranteed Obligations shall exclude all Excluded Swap Obligations. The Guarantors hereby jointly and severally agree that if the Borrowers or other Guarantor(s) shall fail to pay in full when due (whether at stated maturity, by acceleration or otherwise) any of the Guaranteed Obligations, the Guarantors will promptly pay the same in cash, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal.

Section 11.02. Obligations Unconditional . The obligations of the Guarantors under Section 11.01 shall constitute a guaranty of payment when due and not of collection and to the fullest extent permitted by applicable Law, are absolute, irrevocable and unconditional, joint and several, irrespective of the value, genuineness, validity, regularity or enforceability of the Guaranteed Obligations of the Borrowers under this Agreement, the Notes, if any, or any other agreement or instrument referred to herein or therein, or any substitution, release or exchange of any other guarantee of or security for any of the Guaranteed Obligations, and, irrespective of any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or Guarantor (except for payment in full), including any defense of setoff, counterclaim, recoupment or termination. Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not alter or impair the liability of the Guarantors hereunder which shall remain absolute, irrevocable and unconditional under any and all circumstances as described above:

(n) at any time or from time to time, without notice to the Guarantors, to the extent permitted by Law, the time for any performance of or compliance with any of the Guaranteed Obligations shall be extended, or such performance or compliance shall be amended or waived;

(o) any of the acts mentioned in any of the provisions of this Agreement or the Notes, if any, or any other agreement or instrument referred to herein or therein shall be done or omitted;

(p) the maturity of any of the Guaranteed Obligations shall be accelerated, extended or renewed or any of the Guaranteed Obligations shall be amended in any respect, or any right under the Loan Documents or any other agreement or instrument referred to herein or therein shall be amended or waived in any respect or any other guarantee of any of the Guaranteed Obligations or except as permitted pursuant to Section 11.09 , any security therefor shall be released or exchanged in whole or in part or otherwise dealt with;

(q) any Lien or security interest granted to, or in favor of, an L/C Issuer or any Lender or Agent as security for any of the Guaranteed Obligations shall fail to be or remain perfected or the existence of any intervening Lien or security interest; or

(r) the release of any other Guarantor pursuant to Section 11.09 .

The Guarantors hereby expressly waive (to the fullest extent permitted by Law) diligence, presentment, demand of payment, protest and, to the extent permitted by Law, all notices whatsoever, and any requirement that any Secured Party exhaust any right, power or remedy or proceed against the Borrowers under this Agreement or the Notes, if any, or any other agreement or instrument referred to herein or therein, or against any other person under any other guarantee of, or security for, any of the Guaranteed Obligations. The Guarantors waive, to the extent permitted by Law, any and all notice of the creation, renewal, extension, waiver, termination or accrual of any of the Guaranteed Obligations and notice of or proof of reliance by any Secured Party upon this Guarantee or acceptance of this Guarantee, and the Guaranteed Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred in reliance upon this Guarantee, and all dealings between the Borrowers and the Secured Parties shall likewise be conclusively presumed to have been had or consummated in reliance upon this Guarantee. This Guarantee shall be construed as a continuing, absolute, irrevocable and unconditional guarantee of payment without regard to any right of offset with respect to the Guaranteed Obligations at any time or from time to time held by Secured Parties, and the obligations and liabilities of the Guarantors hereunder shall not be conditioned or contingent upon the pursuit by the Secured Parties or any other person at any time of any right or remedy against the Borrowers or against any other person which may be or become liable in respect of all or any part of the Guaranteed Obligations or against any collateral security or guarantee therefor or right of offset with respect thereto. This Guarantee shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon the Guarantors and the successors and assigns thereof, and shall inure to the benefit of the Lenders, and their respective successors and assigns, notwithstanding that from time to time during the term of this Agreement there may be no Guaranteed Obligations outstanding.

Section 11.03. Reinstatement . The obligations of the Guarantors under this Article XI shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of the Borrowers or other Loan Party in respect of the Guaranteed Obligations is rescinded or must be otherwise restored by any holder of any of the Guaranteed Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise.

Section 11.04. Subrogation; Subordination . Each Guarantor hereby agrees that until the payment in full in cash and satisfaction in full of all Guaranteed Obligations (other than Cash Management Obligations, obligations pursuant to Secured Hedge Agreements and

contingent obligations, in each case not yet due and owing, and Letters of Credit that have been Cash Collateralized or backstopped) and the expiration and termination of the Commitments of the Lenders under this Agreement it shall subordinate any claim and shall not exercise any right or remedy, direct or indirect, arising by reason of any performance by it of its guarantee in Section 11.01 , whether by subrogation, contribution or otherwise, against the Borrowers or a Guarantor of any of the Guaranteed Obligations or any security for any of the Guaranteed Obligations.

Section 11.05. Remedies . The Guarantors jointly and severally agree that, as between the Guarantors and the Lenders, the obligations of the Borrowers under this Agreement and the Notes, if any, may be declared to be forthwith due and payable as provided in Section 8.02 (and shall be deemed to have become automatically due and payable in the circumstances provided in Section 8.02) for purposes of Section 11.01 , notwithstanding any stay, injunction or other prohibition preventing such declaration (or such obligations from becoming automatically due and payable) as against the Borrowers and that, in the event of such declaration (or such obligations being deemed to have become automatically due and payable), such obligations (whether or not due and payable by the Borrowers) shall forthwith become due and payable by the Guarantors for purposes of Section 11.01 .

Section 11.06. [Reserved].

Section 11.07. Continuing Guarantee . The guarantee in this Article XI is a continuing guarantee of payment, and shall apply to all Guaranteed Obligations whenever arising.

Section 11.08. General Limitation on Guarantee Obligations . In any action or proceeding involving any state corporate limited partnership or limited liability company law, or any applicable state, federal or foreign bankruptcy, insolvency, reorganization or other Law affecting the rights of creditors generally, if the obligations of any Subsidiary Guarantor under Section 11.01 would otherwise be held or determined to be void, voidable, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under Section 11.01 , then, notwithstanding any other provision to the contrary, the amount of such liability shall, without any further action by such Subsidiary Guarantor, any Loan Party or any other Person, be automatically limited and reduced to the highest amount (after giving effect to the liability under this Guaranty and the right of contribution established in Section 11.10 , but before giving effect to any other guarantee) that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

Section 11.09. Release of Guarantors and Collateral . If, in compliance with the terms and provisions of the Loan Documents, (i) all or substantially all of the Equity Interests of any Subsidiary Guarantor are sold or otherwise transferred to a Person or Persons none of which is a Loan Party in a transaction permitted hereunder or (ii) any Subsidiary Guarantor ceases to be a Restricted Subsidiary as a result of a transaction permitted hereunder, such Subsidiary Guarantor shall be automatically released from its obligations under this Agreement (including under Section 10.05 hereof) and the other Loan Documents, including its obligations to pledge and grant any Collateral owned by it pursuant to any Collateral Document and the pledge of such Equity Interests to the Administrative Agent pursuant to the Collateral Documents shall be automatically released, and, so long as the Borrower Representative shall have provided the Agents such certifications or documents as any Agent shall reasonably request, the Administrative Agent shall take such actions as are necessary to effect each release described in this Section 11.09 in accordance with the relevant provisions of the Collateral Documents.

When all Commitments hereunder have terminated, and all Loans or other Obligations hereunder which are accrued and payable have been paid or satisfied (other than contingent obligations as to which no claim has been asserted, Cash Management Obligations and obligations pursuant to Secured Hedge Agreements), and no Letter of Credit remains outstanding (except any Letter of Credit the Outstanding Amount of which the Obligations related thereto has been Cash Collateralized or for which a backstop letter of credit reasonably satisfactory to the applicable L/C Issuer has been put in place), this Agreement and the Guarantees made herein shall terminate with respect to all Obligations, except with respect to Obligations that expressly survive such repayment pursuant to the terms of this Agreement.

The Administrative Agent shall take such actions as are necessary to effect the release any Lien on any property granted to or held by the Administrative Agent under any Loan Document (i) upon termination of the Aggregate Commitments and payment in full of all Obligations (other than contingent obligations and Letters of Credit which have been Cash Collateralized or otherwise backstopped) and the expiration or termination of all Letters of Credit (other than Letters of Credit which have been Cash Collateralized or as to which other arrangements reasonably satisfactory to the Administrative Agent and the L/C Issuers shall have been made), (ii) at the time the property subject to such Lien is Disposed or to be Disposed as part of or in connection with any Disposition permitted hereunder or under any other Loan Document, (iii) subject to Section 10.01 , if the release of such Lien is approved, authorized or ratified in writing by the Required Lenders or (iv) if the property subject to such Lien is owned by a Guarantor, upon release of such Guarantor from its obligations under its Guaranty pursuant to Section 9.10(d).

Section 11.10. Right of Contribution . Each Guarantor hereby agrees that to the extent that a Subsidiary Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Subsidiary Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder which has not paid its proportionate share of such payment. Each Subsidiary Guarantor's right of contribution shall be subject to the terms and conditions of Section 11.04 . The provisions of this Section 11.10 shall in no respect limit the obligations and liabilities of any Subsidiary Guarantor to the Administrative Agent, the L/C Issuers, the Swing Line Lender and the Lenders, and each Subsidiary Guarantor shall remain liable to the Administrative Agent, the L/C Issuers and the Lenders for the full amount guaranteed by such Subsidiary Guarantor hereunder.

Section 11.11. Keepwell . Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Loan Party to honor all of its obligations under this Guaranty in respect of Swap Obligations (*provided* , *however* , that each Qualified ECP Guarantor shall only be liable under this Section 11.11 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 11.11 , or otherwise under this Guarantee, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Section 11.11 shall remain in full force and effect until all Commitments hereunder have terminated, and all Loans or other Obligations hereunder which are accrued and payable have been paid or satisfied (other than Cash Management Obligations and Obligations arising under any Secured Hedge Agreement), and no Letter of Credit remains outstanding (except any Letter of Credit the Outstanding Amount of which the Obligations related thereto has been Cash Collateralized or for which a backstop letter of credit reasonably satisfactory to the applicable L/C Issuer has been put in place). Each Qualified ECP Guarantor intends that this Section 11.11 constitute, and this Section 11.11 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Loan Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

Section 11.12. Joint and Several Liability . All Obligations of the Borrowers under this Agreement and the other Loan Documents shall be joint and several Obligations of each Borrower. Anything contained in this Agreement and the other Loan Documents to the contrary notwithstanding, the Obligations of each Borrower hereunder, solely to the extent that such Borrower did not receive proceeds of Loans from any borrowing hereunder, shall be limited to a maximum aggregate amount equal to the largest amount that would not render its Obligations hereunder subject to avoidance as a fraudulent transfer or conveyance under §548 of the U.S. Bankruptcy Code, 11 U.S.C. §548, or any applicable provisions of comparable state law (collectively, the **"Fraudulent Transfer Laws** "), in each case after giving effect to all other liabilities of such Borrower, contingent or otherwise, that are relevant under the Fraudulent Transfer Laws (specifically excluding, however, any liabilities of such Borrower in respect of intercompany Indebtedness to any other Loan Party or Affiliates of any other Loan Party to the extent that such Indebtedness would be discharged in an amount equal to the amount paid by such Loan Party hereunder) and after giving effect as assets to the value (as determined under the applicable provisions of the Fraudulent Transfer Laws) of any rights to subrogation or contribution of such Borrower pursuant to (i) applicable law or (ii) any agreement providing for an equitable allocation among such Borrower and other Affiliates of any Loan Party of Obligations arising under Guarantees by such parties.

Section 11.13. Acknowledgement and Consent to Bail-In of EEA Financial Institutions . Notwithstanding anything to the contrary in this Agreement 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 this Agreement, 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 or 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, 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 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

(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.

Section 11.14. OID Legend. THE LOANS HAVE BEEN ISSUED WITH OID FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY OF THE LOANS MAY BE OBTAINED BY WRITING TO THE ADMINISTRATIVE AGENT AT ITS ADDRESS SPECIFIED HEREIN.

[*Signature Pages Follow*]

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

TAXACT HOLDINGS, INC.

By: /s/ Eric M. Emans

Name: Eric M. Emans
Title: Chief Financial Officer

TAXACT, INC.

By: /s/ Eric M. Emans

Name: Eric M. Emans
Title: Chief Financial Officer

HDV HOLDINGS, INC.

By: /s/ Roger Ochs

Name: Roger Ochs
Title: President

H.D. VEST, INC.

By: /s/ Roger Ochs

Name: Roger Ochs
Title: President

PROJECT BASEBALL SUB, INC.

By: /s/ Eric M. Emans

Name: Eric M. Emans
Title: Chief Financial Officer

H.D. VEST ADVISORY SERVICES, INC.

By: /s/ Roger Ochs

Name: Roger Ochs
Title: President

H.D. VEST INSURANCE AGENCY, L.L.C. (Texas)

By: /s/ Roger Ochs

Name: Roger Ochs
Title: President

H.D. VEST INSURANCE AGENCY, L.L.C. (Massachusetts)

By: /s/ Roger Ochs

Name: Roger Ochs
Title: President

H.D. VEST INSURANCE AGENCY, L.L.C. (Montana)

By: /s/ Roger Ochs

Name: Roger Ochs
Title: President

BANK OF MONTREAL , as Administrative Agent, Collateral Agent, L/C Issuer, Swing Line Lender and Lender

By: /s/ Gregory F. Tomczyk
Name: Gregory F. Tomczyk
Title: Director

[Signature Page to Credit Agreement]

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Amended and Restated Employment Agreement (the " ***Agreement*** ") is entered into this 22nd day of February, 2016, and was effective as of January 1, 2016 (the " ***Effective Date*** "), by and between Project Baseball Sub, Inc., a Delaware corporation (the " ***Purchaser*** ") and Roger Ochs (" ***Executive*** ") (together, the " ***Parties*** "). Except as otherwise indicated herein, capitalized terms used herein are defined in Section 9.14 .

WHEREAS, HDV Holdings, LLC, a Delaware Limited Liability Corporation (the " ***Seller*** "), and the Purchaser are parties to that certain Stock Purchase Agreement (as amended, the " ***Purchase Agreement*** ") to be executed contemporaneously with this Agreement, whereby the Purchaser will acquire 100% of the stock of HDV Holdings, Inc. (the ***"Company"***);

WHEREAS, the Purchaser is a wholly owned indirect subsidiary of Blucora, Inc. (the ***"Parent"***);

WHEREAS, it is a condition to the consummation of the transactions contemplated by the Purchase Agreement (the " ***Acquisition*** ") that this Agreement be in full force and effect on the Effective Date; and

WHEREAS, the Purchaser desires that Executive be employed by H.D. Vest, Inc., a Texas corporation (the " ***Employer*** ") on the terms and conditions set forth herein, and Executive is willing to accept such employment on such terms and conditions.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Employment and Acceptance

The Employer shall employ Executive, and Executive shall accept employment, subject to the terms of this Agreement, effective as of the Effective Date and ending as provided in Section 2 below; provided that if the Purchase Agreement is terminated in accordance with its terms at any time prior to the Effective Date, then this Agreement shall also terminate without any further action by any of the parties hereto and be of no further force and effect simultaneously with such termination.

2. Term

Subject to earlier termination pursuant to Section 5 of this Agreement, the employment relationship hereunder shall continue from the Effective Date until the third (3rd) anniversary of

the Effective Date (the " ***Initial Employment Period*** "), at which point this Agreement shall terminate unless extended by mutual written agreement by the Parties. As used in this Agreement, the " ***Employment Period*** " shall refer to the period beginning on the Effective Date and ending on the date Executive's employment is terminated in accordance with this Section 2 or Section 5 , as the case may be.

3. Duties and Title

3.1 Title . Executive shall serve in the capacity of Chief Executive Officer of the Employer (the " ***CEO*** ") and shall report directly to the Board (as defined below).

3.2 Duties . Executive shall devote Executive's best efforts and full business time and attention to the business and affairs of the Employer and, to the extent requested, the Parent, and shall have all of the duties, responsibilities, functions and authority implied by his position, subject to the power and authority of the Board of Directors of the Employer (the " ***Board*** ") to expand or limit such duties, responsibilities and authority at any time (including, without limitation, as a result of a geographical expansion of the Employer's business activities), and to overrule actions of officers of the Employer. Executive shall perform such Executive's duties, responsibilities and functions to the Employer or any other member of the Parent hereunder to the best of Executive's abilities in a diligent, trustworthy, professional and efficient manner and shall comply with the policies and procedures of the Employer and the Parent in all material respects. In performing Executive's duties and exercising Executive's authority under this Agreement, Executive shall support and implement the business and strategic plans approved from time to time by the Board or the board of managers of Parent and shall support and cooperate with the efforts of the members of the Parent to expand their businesses and operate profitably and in conformity with the business and strategic plans approved by the board of managers of the Parent. So long as Executive is employed by the Employer, Executive shall not, without the prior written consent of the Board (which consent shall not be unreasonably withheld by the Board), serve as a director of any other entity; provided that Executive may serve as a director of educational, welfare, social, religious and civic organizations without the prior consent of the Board so long as Executive is not compensated for such activities and such activities do not materially interfere with Executive's employment with the Employer and its Subsidiaries.

4. Salary, Bonus and Benefits by the Employer

As compensation for services rendered pursuant to this Agreement, the Employer shall provide Executive the following during the Employment Period:

4.1 Salary . During the Employment Period, Executive's base salary shall be $400,000.00 per annum and shall be subject to review and adjustment by the Board on an annual

basis (as adjusted from time to time, the " ***Base Salary*** "), which salary shall be payable by the Employer in regular installments in accordance with the Employer's general payroll practices (in effect from time to time). Executive's Base Salary for any partial year shall be pro-rated based upon the actual number of days elapsed in such year.

4.2 Bonus . For each calendar year during the Employment Period, Executive shall (a) receive an annual bonus in an amount equal to 100% of the Base Salary, conditioned upon achievement by the Employer and its Subsidiaries of financial, operating and other objectives set by the Board (which may be based on any criteria determined by the Board in consultation with Executive) (collectively, the " ***Performance Metrics*** ") for such calendar year, as reasonably determined by the Board, and (b) be eligible for an additional annual bonus in an amount up to $200,000, as determined by the Board, conditioned upon the Employer and its Subsidiaries exceeding the Performance Metrics to a degree set by the Board for such calendar year; provided that any bonus shall be paid in the calendar year following the calendar year to which the bonus relates and within ten (10) business days of the date on which the final audit for such calendar year is issued by Employer's independent accountants but in no event later than December 31st following the calendar year to which the bonus relates.

4.3 Participation in Employee Benefit Plans . In addition to (but without duplication of) the Base Salary and any bonuses described above payable to Executive pursuant to this Section 4 , during the Employment Period, Executive shall be entitled to (a) up to 5 weeks of paid time off per year to be taken in accordance with the Employer's then current policy, and (b) subject to applicable eligibility requirements, such other benefit plans of the Employer as approved by the Board, which may be available to other similarly situated executives of the Employer, pursuant to the terms of such plans and on the same terms as other similarly situated executives of the Employer.

4.4 Expense Reimbursement . During the Employment Period, the Employer shall reimburse Executive for all reasonable out-of-pocket business expenses incurred by Executive in the course of performing Executive's duties and responsibilities under this Agreement which are consistent with the Employer's policies in effect from time to time with respect to travel, entertainment and other business expenses, subject to the Employer's requirements with respect to reporting and documentation of such expenses.

5. Termination of Employment

5.1 Termination by Executive without Good Reason . Executive may terminate the Employment Period by resigning upon prior written notice delivered to Employer effective as of the date set forth in such notice. If Executive terminates employment pursuant to this Section 5.1 , Executive shall be entitled to receive the following: (a) Executive's earned, accrued but unpaid Base Salary as of the date of termination; (b) benefits set forth in Section 4.3

(b) through the date of termination, if any, in accordance with the terms of the benefit plans in which Executive participates as of the date of termination; (c) Executive's accrued but unused and unpaid paid time off (to the extent payable in accordance with Employer's then current policies), if any, as of the date of termination; and (d) expenses reimbursable under Section 4.4 incurred but not yet reimbursed to Executive as of the date of termination.

5.2 Involuntary Termination by the Employer without Cause or Termination by Executive with Good Reason . The Employment Period may be terminated by the Employer without Cause upon prior written notice delivered to Executive, or by Executive with Good Reason upon prior written notice delivered to Employer, in each case effective as of the date set forth in such notice. In the event of termination pursuant to this Section 5.2 , Executive shall be entitled to receive the following: (a) Executive's earned, accrued but unpaid (x) Base Salary as of the date of termination and (y) cash bonus (if any) pursuant to Section 4.2 with respect to the calendar year ending on or preceding the date of termination, which bonus (if any) will be paid at the same time bonuses are paid pursuant to Section 4.2 ; (b) benefits set forth in Section 4.3(b) through the date of termination, if any, in accordance with the terms of the benefit plans in which Executive participates as of the date of termination; (c) Executive's accrued but unused and unpaid paid time off (to the extent payable in accordance with Employer's then current policies), if any, as of the date of termination; (d) expenses reimbursable under Section 4.4 incurred but not yet reimbursed to Executive as of the date of termination; (e) in the event that (x) each of the Employer and Executive would achieve their respective financial, operating and other objectives necessary for a bonus to be payable pursuant to Section 4.2 (as determined by the Board) in the calendar year in which the termination of the Employment Period occurs after such objectives of each of the Employer and Executive actually achieved during such applicable calendar year through (and including) the date of termination of the Employment Period are annualized, and (y) the termination of the Employment Period pursuant to this Section 5.2 occurs no earlier than 120 days after the beginning of such applicable calendar year, a pro rata portion (based on the number of actual days which have elapsed during such applicable calendar year prior to termination of the Employment Period) of the cash bonus (if any) that Executive would otherwise have been entitled pursuant to Section 4.2 had Executive been continuously employed by the Employer through the end of such calendar year (and such bonus shall be payable at any time after completion of the audit for such calendar year, but in any event in the calendar year following the calendar year to which the bonus relates); (f) for a period of eighteen (18) months beginning on the date of termination of Executive's employment pursuant to this Section 5.2 , Executive shall be entitled to receive two times Executive's Base Salary as in effect immediately prior to the date of the termination of Executive's employment, payable in installments in accordance with the customary payroll practices of the Employer in effect on the date of termination, and (g) a lump-sum payment in an amount equal to (x) the monthly COBRA premium in effect under the Company's group health plan as of the date of termination for the

coverage in effect under such plan for Executive (and Executive's spouse and dependent children) on such date multiplied by (y) twelve (12) (less applicable withholding taxes), which amount shall be payable in a single lump sum on the first payroll date that is at least sixty (60) days following the date of termination (but, in any event, by no later than March 15 of the calendar year immediately following the calendar year that includes the date of termination), in accordance with Section 6.3 ; provided, however, that notwithstanding the foregoing or any other provision in this Agreement to the contrary, the Company (or its successor) may unilaterally amend this Section 6(d)(ii) or eliminate the benefit provided hereunder to the extent it deems necessary to avoid the imposition of excise taxes, penalties or similar charges on the Company or any of its subsidiaries, affiliates or successors, including, without limitation, under Section 4980D of the Code; provided however, that such payments described in clauses (f) and (g) of this sentence shall commence upon the date provided in Section 6.3 . It is agreed and understood that Executive shall be entitled to receive the amounts set forth in clauses (f) and (g) of this Section 5.2 if and only if Executive has executed and delivered to the Employer a general release in form and substance as set forth on **Exhibit A** attached hereto (the "General Release") within the time limitations set forth in Section 6.3 , the General Release has become effective, and so long as Executive has not revoked or breached the provisions of the General Release within the time frame provided in Section 6 or breached the provisions of Section 7 or Section 8 or any other agreement between Executive and the Parent.

5.3 Involuntary Termination by the Employer for Cause . The Employment Period may be terminated by the Employer for Cause at any time upon delivery to Executive of written notice effective on the date such notice is received by Executive, unless other date is specified in such notice). If Executive’s employment is terminated by the Employer for Cause, Executive shall be entitled to receive only the payments and benefits set forth in subsections (a) through (d) of Section 5.1 .

5.4 Termination Due to Death or Disability . The Employment Period shall terminate automatically upon Executive’s death or upon the Board’s good faith determination of Executive’s inability to perform the essential duties, responsibilities and functions of Executive’s position with the Employer as a result of any mental or physical illness, disability or incapacity. If Executive’s employment is terminated pursuant to this Section 5.4 , Executive or Executive’s heirs shall be entitled to receive the same payments and benefits set forth in subsections (a) through (d) of Section 5.1 .

5.5 Nonrenewal of Employment Period . In the event Executive’s employment ends because the Employer does not agree to extend either the Initial Employment Period or any other subsequent extension resulting from a mutual written agreement by the Parties, pursuant to Section 2, for any reason other than for Cause Executive shall be entitled to receive the same payments and benefits set forth in subsections (a) through (g) of Section 5.2 .

5.6 No Other Benefits . Except as otherwise expressly provided herein, Executive shall not be entitled to any other salary, bonuses, employee benefits or compensation from the Employer or its Subsidiaries after the date of termination and all of Executive's rights to salary, bonuses, employee benefits and other compensation hereunder which would have accrued or become payable after the date of termination shall cease upon such termination or expiration, other than as expressly required under applicable law.

5.7 Offset . The Employer may offset any bona fide amounts not in dispute that Executive currently owes Parent or any of its Subsidiaries against any amounts it or any of its Subsidiaries owes Executive hereunder, except that no offset shall be made from any amount if the offset would violate the requirements of Section 409A of the Internal Revenue Code of 1986, as amended.

5.8 Definition of Termination . A termination of the Employment Period shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination is also a "separation from service" within the meaning given in Treasury Regulation § 1.409A-1(h)(1)(ii), and for purposes of any such provision of this Agreement, references to a "termination", "termination of the Employment Period", "termination of employment" or similar terms shall mean "separation from service."

6. Section 409A Compliance

6.1 Intent . The intent of the Parties is that payments and benefits under this Agreement comply with Internal Revenue Code Section 409A and the regulations and guidance promulgated thereunder (collectively " ***Code Section 409A*** ") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. In no event whatsoever shall the Employer be liable for any additional tax, interest or penalty that may be imposed on Executive by Code Section 409A.

6.2 Specified Employee . Notwithstanding any other payment schedule provided herein to the contrary, if Executive is deemed on the date of termination to be a "specified employee" within the meaning of that term under Code Section 409A(a)(2)(B), then with regard to any payment that is considered deferred compensation under Code Section 409A payable on account of a "separation from service," such payment shall be made on the date which is the earlier of (a) the expiration of the six (6)-month period measured from the date of such "separation from service" of Executive, and (b) the date of Executive's death (the " ***Delay Period*** ") to the extent required under Code Section 409A. Upon the expiration of the Delay Period, all payments delayed pursuant to this Section 6.2 (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid to Executive in a lump sum with interest accruing commencing on the date payment would have

otherwise been made at the prime rate of interest most recently published in *The Wall Street Journal* as of such date, and all remaining payments due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

6.3 Severance Payments Conditioned upon General Release . Executive shall forfeit all rights to severance payments pursuant to this Agreement unless Executive duly executes and deliver the General Release to the Employer (and the General Release is no longer subject to revocation) within sixty (60) days following the date of Executive's termination of employment. If the foregoing release is executed and delivered and no longer subject to revocation as provided in the preceding sentence, then to the extent any such cash payment to be provided is not "deferred compensation" for purposes of Code Section 409A, such payment shall commence upon the first scheduled payment date immediately after the date the release is executed and no longer subject to revocation (the " ***Release Effective Date*** "). The first such cash payment shall include payment of all amounts that otherwise would have been due prior to the Release Effective Date under the terms of this Agreement applied as though such payments commenced immediately upon Executive's termination of employment, and any payments made thereafter shall continue as provided herein. To the extent any such payment to be provided is "deferred compensation" for purposes of Code Section 409A, then such payments or benefits shall be made or commence upon the sixtieth (60) day following Executive's termination of employment. The first such payment shall include payment of all amounts that otherwise would have been due prior thereto under the terms of this Agreement had such payments commenced immediately upon Executive's termination of employment, and any payments made thereafter shall continue as provided herein.

6.4 Expense Reimbursement Payments . To the extent that reimbursements or other in-kind benefits under this Agreement constitute "nonqualified deferred compensation" for purposes of Code Section 409A, (a) all expenses or other reimbursements hereunder shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by the Executive, (b) any right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (c) no such reimbursement, expenses eligible for reimbursement, or in-kind benefits provided in any taxable year shall in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year.

6.5 Installment Payments . For purposes of Code Section 409A, Executive's right to receive any installment payment pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments.

6.6 Timing of Payments . Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., "payment shall be made within thirty

(30) days following the date of termination"), the actual date of payment within the specified period shall be within the sole discretion of the Employer.

7. Proprietary Information

7.1 Obligation to Maintain Confidentiality . Executive acknowledges that the continued success of the Employer and Parent and all of their respective Subsidiaries and Affiliates (collectively, the " ***Parent Group*** ") depends upon the use and protection of Proprietary Information. Executive further acknowledges that the Proprietary Information obtained by Executive during the course of Executive's employment (including, for all purposes herein, prior to the Closing) with the Employer or any of its Subsidiaries or Affiliates concerning the Business and the business and affairs of the Employer any member of the Parent Group (including, without limitation, Proprietary Information obtained by him while employed by the Employer and/or any of its Subsidiaries prior to the date of this Agreement and the acquisition of the Employer by Parent) is the property of Employer or such member of the Parent Group, including information concerning acquisition opportunities in or reasonably related to the Employer's business or industry. Executive agrees to hold in strict confidence and in trust for the sole benefit of the Employer all Trade Secrets and Proprietary Information to which he may have or has had access during the course of his employment with Employer and will not disclose any Proprietary Information, directly or indirectly, to anyone outside of the Parent Group, nor use, copy, publish, summarize, or remove from the Employer premises such Proprietary Information (or remove from Employer premises any other property of the Employer) except during his employment to the extent necessary to carry out Executive's responsibilities under this Agreement. . Executive further understands that the publication of any Proprietary Information through literature or speeches must be approved in advance in writing by the Board. Executive shall take reasonable and appropriate steps to safeguard Proprietary Information and to protect it against disclosure, misuse, espionage, loss and theft. Executive shall deliver to Employer upon the termination of the Employment Period, or at any other time Employer may request, all memoranda, notes, plans, records, reports, computer tapes, printouts and software and other documents and data (and copies thereof) embodying or relating to the Proprietary Information, Work Product (as defined below) or the business of the Employer or any member of the Parent Group (including, without limitation, all acquisition prospects, lists and contact information) which Executive may then possess or have under his control.

7.2 Ownership of Property . Executive acknowledges that all discoveries, concepts, ideas, inventions, innovations, improvements, developments, methods, processes, programs, designs, analyses, drawings, reports, patent applications, copyrightable work and mask work (whether or not including any confidential information) and all registrations or applications related thereto, all other Proprietary Information and all similar or related information (whether

or not patentable) that relate to the Business and the Employer's or any of member of the Parent Group's actual or anticipated business, research and development, or existing or future products or services and that are conceived, developed, contributed to, made, or reduced to practice by Executive (either solely or jointly with others) while employed by the Employer or any of member of the Parent Group (" ***Work Product*** "), belong to the Employer or such member of the Parent Group, and Executive hereby assigns, and agrees to assign, all of the above Work Product to the Employer or to such member of the Parent Group. Any copyrightable work prepared in whole or in part by Executive in the course of his work for any of the foregoing entities shall be deemed a "work made for hire" under the copyright laws (including the United States Copyright Act (17 U.S.C., Section 101)), and the Employer or such member of the Parent Group shall own all rights therein. To the extent that any such copyrightable work is not a "work made for hire," Executive hereby assigns and agrees to assign to the Employer or such member of the Parent Group all right, title, and interest, including without limitation, copyright in and to such copyrightable work. Executive shall promptly disclose such Work Product to the Employer and perform all actions reasonably requested by the Board (whether during or after the Employment Period), at the Employer's sole expense, to establish and confirm the Employer's or such member of Parent Group's ownership (including, without limitation, assignments, consents, powers of attorney, and other instruments) in Work Product and copyrightable work identified by the Board. Executive is hereby advised that this Section 7.2 regarding the Parent Group's ownership of Work Product does not apply to any invention that Executive developed entirely on his own time without using any equipment, supplies, facilities, or Trade Secret of the Parent Group except for those inventions that either (a) relate at the time of conception or reduction to practice of the invention to the business, or actual or demonstrably anticipated research or development of any member of the Parent Group, or (b) result from any work performed by Executive for any member of the Parent Group.

7.3 Third Party Information . Executive understands that the Employer and each member of the Parent Group will receive from third parties confidential or proprietary information (" ***Third Party Information*** ") that may be subject to a duty on the Employer's and each member of the Parent Group's part to maintain the confidentiality of such information and to use it only for certain limited purposes. During the Employment Period and thereafter, and without in any way limiting the provisions of Section 7.1 above, Executive will hold Third Party Information in the strictest confidence and will not disclose to anyone (other than personnel and consultants of the Employer or each member of the Parent Group who need to know such information in connection with their work for the Employer or such member of the Parent Group) or use, except in connection with Executive's work for the Employer or any member of the Parent Group, Third Party Information unless expressly authorized by the Board in writing.

7.4 Use of Information of Prior Employers . During the Employment Period, Executive will not improperly use or disclose any confidential information or trade secrets, if

any, of any former employers or any other Person to whom Executive has an obligation of confidentiality, and will not bring onto the premises of the Employer or any member of the Parent Group any confidential information or trade secrets of any former employer or any other Person to whom Executive has an obligation of confidentiality unless consented to in writing by the former employer or Person. This Section 7.4 shall not apply to confidential information or trade secrets of the Company. .

7.5 Definition of Proprietary Information . For purposes of this Agreement, the term " ***Proprietary Information*** " shall mean all information of a confidential or proprietary nature (whether or not specifically labeled or identified as "confidential" or "proprietary"), in any form or medium, that relates to or results from the business, historical or projected financial results, products, services or research or development of the Employer (including the Company as the Employer's predecessor), or any member of the Parent Group or their respective suppliers, distributors, customers, potential customers, independent contractors, third-party payors, providers or other business relations. Proprietary Information shall include, but is not limited to, the following: (a) internal business information (including historical and projected financial information and budgets and information relating to strategic and staffing plans and practices, training, marketing, promotional and sales plans and practices, cost, rate and pricing structures, risk management practices, health care programs designed for clients and patients, negotiation strategies and practices and accounting and business methods); (b) individual requirements of, specific contractual arrangements with, and information about, Employer's or any member of the Parent Group's employees (including personnel files and other information), suppliers, distributors, customers, potential customers, independent contractors, third-party payors, providers or other business relations and their confidential information, including, without limitation, patient records, medical histories and other information concerning patients (including, without limitation, all "Protected Health Information" within the meaning of the Health Insurance Portability and Accountability Act); (c) Trade Secrets, technology, know-how, compilations of data and analyses, techniques, systems, formulae, research, records, reports, manuals, flow charts, documentation, models, data and data bases relating thereto; (d) computer software, including operating systems, applications and program listings; (e) inventions, innovations, ideas, devices, improvements, developments, methods, processes, designs, analyses, drawings, photographs, reports and all similar or related information (whether or not patentable and whether or not reduced to practice); (f) copyrightable works; (g) intellectual property of every kind and description; and (h) all similar and related information in whatever form.

7.6 Definition of Trade Secret . For purposes of this Agreement, the term " ***Trade Secrets*** " means any and all information, including a formula, pattern, compilation, program, device, method, technique or process that derives independent economic value, actual or potential, from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use, and is the subject of efforts that are reasonable under

the circumstances to maintain its secrecy. By way of illustration but not limitation, " *Trade Secrets* " includes: (a) Work Product; (b) information regarding plans for research, development, current and new products, marketing and selling, business plans, budgets and unpublished financial statements, licenses, prices and costs, production, carriers and customers and potential customers; (c) information regarding the skills and compensation of other employees of Employer and the other members of the Parent Group; and (d) Third-Party Information. For the avoidance of doubt, " *Trade Secrets* " do not include any information which: (w) is already in the public domain or becomes available to the public through no breach of this Agreement by Executive, (x) is lawfully obtainable from non-confidential sources other than the Parent, its Subsidiaries, their Affiliates or their respective personnel, suppliers, distributors, customers, independent contractors or other business relations, (y) is legally available to Executive from non-confidential sources other than the Parent, its Subsidiaries, their Affiliates or their respective personnel, suppliers, distributors, customers, independent contractors or other business relations, or (z) is developed by Executive entirely on his own time without using Parent's, its Subsidiaries' or their Affiliates' equipment, supplies, facilities, or trade secret information and does not relate at the time of conception to Parent's, its Subsidiaries' or their Affiliates' business, or actual or demonstrably anticipated research or development of Parent, its Subsidiaries or their Affiliates, or result from any work performed by Executive for Parent, its Subsidiaries or their Affiliates.

8. Non-Compete; Nonsolicitation; No-Hire

Executive acknowledges that (a) Executive has become familiar with and (b) in the course of Executive's employment with the Employer, Executive will become familiar with the Trade Secrets of the Business and the Parent Group and with other Proprietary Information concerning the Business and the Parent Group and that Executive's services will be of special, unique and extraordinary value to the Employer and the Parent Group and that the Employer would be irreparably damaged if he were to breach his obligations under this Agreement. Therefore, Executive agrees that, without limiting any other obligation pursuant to this Agreement:

8.1 Non-Compete . Executive agrees that, during the Employment Period and for a period of time consisting of the longer of either (x) eighteen (18) months beginning on the date of termination of Executive's employment, or (y) the time period remaining between the date of termination of Executive's employment and ending on the third (3rd) anniversary of the Effective Date (the " ***Non-compete Period*** "), Executive shall not directly or indirectly own any interest in, manage, control, participate in, consult with, render services for, be employed in an executive, managerial or administrative capacity by, or in any manner engage with, any person, business or entity engaged in the business of or competing with the Employer or its Subsidiaries or any member of the Parent Group as such businesses exist or are in process during the Employment Period or on the date of the termination or expiration of the Employment Period, within any state

in the United States or any other geographical area in which the Employer or its Subsidiaries or any member of the Parent Group engage or plan to engage in such businesses. Nothing herein shall prohibit Executive from being a passive owner of not more than 2% of the outstanding stock of any class of a corporation which is publicly traded, so long as Executive has no active participation in the business of such corporation.

8.2 Nonsolicitation; No-Hire . During the Non-compete Period, Executive shall not directly or indirectly through another person, business or entity (a) induce or attempt to induce any employee of the Employer, the Parent Group or any of their respective Subsidiaries to leave the employ of the Employer or the Parent Group or such Subsidiary, or in any way interfere with the relationship between the Employer, the Parent Group or any of their respective Subsidiaries and any employee thereof, (b) hire any employee of the Employer, the Parent Group or any of their respective Subsidiaries or hire any former employee of the Employer, the Parent Group or any of their respective Subsidiaries within one year after such person ceased to be an employee of the Employer, the Parent Group or any of their respective Subsidiaries, (c) induce or attempt to induce any customer, supplier, licensee, licensor, franchisee, Financial Advisor (as defined in the Purchase Agreement) or other business relation of the Employer, the Parent Group or any of their respective Subsidiaries to cease doing business with the Employer, Parent Group or such Subsidiary or in any way interfere with the relationship between any such customer, supplier, licensee, licensor, franchisee, Financial Advisor or business relation and the Employer, the Parent Group or any such Subsidiary (including, without limitation, making any negative or disparaging statements or communications regarding the Employer, the Parent Group or their respective Subsidiaries or any of their officers, directors or employees) or (d) directly or indirectly acquire or attempt to acquire an interest in any business relating to the business of the Employer, the Parent Group or any of their respective Subsidiaries and with which the Employer, the Parent Group or any of their respective Subsidiaries has entertained discussions or has requested and received information relating to the acquisition of such business by the Employer, the Parent Group or any of their respective Subsidiaries at any time within the two-year period immediately preceding the end of the Employment Period.

8.3 Non-Disparagement .

(a) Executive agrees that Executive shall not disparage or encourage others to disparage the Employer or any member of the Parent Group or any of their respective past and present employees, directors, members, officers, managers, equityholders, products or services. For purposes of this Section 8.3(a) , the term " *disparage* " includes, without limitation, comments or statements to the press, to the Employer's employees or to any individual or entity with whom the Employer has a business relationship (including, without limitation, any vendor, supplier, customer or distributor of the Employer) that would adversely affect in any manner: (a) the conduct of any business of the Employer or any member of the Parent Group (including, without

limitation, any business plans or prospects) or (b) the business reputation of the Employer or any member of the Parent Group.

(b) The Employer agrees that the Employer and Parent shall not disparage or encourage others to disparage Executive. For purposes of this Section 8.3(b) , the term " *disparage* " includes, without limitation, comments or statements to the press, to the Employer's employees or to any individual or entity with whom Executive has a business relationship (including, without limitation, any vendor, supplier, customer or distributor of the Employer) that would adversely affect in any manner the business reputation of Executive.

8.4 Cooperation . Upon the receipt of reasonable notice from the Employer (including notice on behalf of the Employer by its outside counsel), Executive agrees that while employed by the Employer and, subject to Executive's other business commitments, thereafter, Executive will respond and provide information with regard to matters in which Executive has knowledge as a result of Executive's employment with the Employer and will provide reasonable assistance to the Employer and its representatives in defense of any claims that may be made against the Employer, and will assist the Employer in the prosecution of any claims that may be made by the Employer, to the extent that such claims may relate to the period of Executive's employment with the Employer or any predecessor). Executive agrees to promptly inform the Employer if Executive becomes aware of any lawsuits involving such claims that may be filed or threatened against the Employer. Executive also agrees to promptly inform the Employer (to the extent Executive is legally permitted to do so) if Executive is asked to assist in any investigation of the Employer (or their actions), regardless of whether a lawsuit or other proceeding has then been filed against the Employer with respect to such investigation, and shall not do so unless legally required. If Executive is required to provide any services pursuant to this Section 8.4 following the Employment Period, upon presentation of appropriate documentation, the Employer shall reimburse Executive for actual, reasonable out-of-pocket expenses incurred in connection with the performance of such services, as well as Executive's time at a rate of five hundred (500) dollars per hour.

8.5 Enforcement . If, at the time of enforcement of Section 7 or this Section 8, a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum duration or scope reasonable under such circumstances shall be substituted for the stated period or scope and that the court may revise such restrictions to cover the maximum duration or scope permitted by law and reasonable under such circumstances. Because Executive's services are unique and because Executive has access to Trade Secrets and Proprietary Information, the parties hereto agree that the Employer and each member of the Parent Group would be irreparably harmed by, and money damages would be an inadequate remedy for, any breach of this Agreement. Therefore, in the event a breach or threatened breach of this Agreement, the Employer, any member of the Parent Group and/or their

respective successors or assigns shall be, in addition to other rights and remedies existing in their favor, entitled to specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of, the provisions hereof. Each of the Executive and the Employer hereby further waives (a) any defense in any such action for specific performance that a remedy at law would be adequate, (b) any requirement under any law to post security as a prerequisite to obtaining such equitable relief and (c) any defense in any such motion for specific performance that such remedy is unavailable as a result of the Employer's breach or alleged breach of this Agreement.

8.6 Additional Acknowledgments . Executive acknowledges that the provisions of Section 7 and this Section 8 are in consideration of employment with the Employer and additional good and valuable consideration as set forth in this Agreement. In addition, Executive agrees and acknowledges that the restrictions contained in Section 7 and this Section 8 do not preclude Executive from earning a livelihood, nor do they unreasonably impose limitations on Executive's ability to earn a living. In addition, Executive acknowledges (a) that the business of the Employer will be conducted throughout the United States and its territories, (b) notwithstanding the state of organization or principal office of the Employer or facilities, or any of their respective executives or employees (including Executive), it is expected that the Employer will have business activities and have valuable business relationships within its industry throughout the United States and its territories, and (c) as part of Executive's responsibilities, Executive will be traveling throughout the United States and other jurisdictions where the Employer conduct business during the Employment Period in furtherance of the Employer's business and its relationships. Executive agrees and acknowledges that the potential harm to the Employer of the non-enforcement of any provision of Section 7 and this Section 8 outweighs any potential harm to Executive of its enforcement by injunction or otherwise. Executive acknowledges that he has carefully read this Agreement and consulted with legal counsel of his choosing regarding its contents, has given careful consideration to the restraints imposed upon Executive by this Agreement and is in full accord as to their necessity for the reasonable and proper protection of confidential and proprietary information of the Employer now existing or to be developed in the future. Executive expressly acknowledges and agrees that each and every restraint imposed by this Agreement is reasonable with respect to subject matter and time period.

9. Other Provisions

9.1 Corporate Opportunity . During the Employment Period, Executive shall submit to Employer all business, commercial and investment opportunities or offers presented to Executive or of which Executive becomes aware which relate to the Business or any other business of the Parent Group at any time during the Employment Period (" ***Corporate***

Opportunities "). Unless approved by the Employer, Executive shall not accept or pursue, directly or indirectly, any Corporate Opportunities on Executive's own behalf.

9.2 Notices . Any notice or other communication required or which may be given hereunder shall be in writing and shall be delivered personally, sent by facsimile transmission or sent by certified, registered or express mail, postage prepaid or overnight mail, shall be copied via email to the address(es) listed below, and shall be deemed given when so delivered personally or sent by facsimile transmission or, if mailed, four (4) days after the date of mailing or one (1) day after overnight mail, as follows:

If to the Employer, to:

H. D. Vest, Inc.

c/o H.D. Vest Financial Services

6333 North State Highway, Fourth Floor

Irving, Texas 75038

Attn: Board of Directors and
Roger C. Ochs, President

Email: ochsr@hdvest.com

Fax: (972) 870-6022

With a copy to:

If to Executive, to Executive's home address reflected in the Employer's records,
with a copy to:

Kevin Robinowitz
Lackey Hershman, L.L.P.
3102 Oak Lawn Ave., Suite 777
Dallas, Texas 75219
E-mail: kpr@lhlaw.net
Fax: (214) 560-2203

9.3 Entire Agreement . This Agreement contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements, written or oral, with respect thereto, including but not limited to, any term sheets, offer letters or similar

documents contemplating the execution of an employment agreement setting forth the terms and conditions of Executive's future employment with the Employer.

9.4 Representations and Warranties by Executive . Executive represents and warrants that (a) the execution, delivery and performance of this Agreement by Executive do not and shall not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which Executive is a party or by which he is bound, (b) Executive is not a party to or bound by any employment agreement, non-compete agreement or confidentiality agreement with any other person or entity and (c) upon the execution and delivery of this Agreement by the Employer, this Agreement shall be the valid and binding obligation of Executive, enforceable in accordance with its terms. Executive hereby acknowledges and represents that he has consulted with independent legal counsel regarding his rights and obligations under this Agreement and that he fully understands the terms and conditions contained herein.

9.5 Waiver and Amendments . This Agreement may be amended, modified, superseded, canceled, renewed or extended, and the terms and conditions hereof may be waived, only by a written instrument signed by the Parties or, in the case of a waiver, by the Party waiving compliance; provided, however, that prior to the Effective Time, in advance of any such amendment, modification, superseder, cancellation, renewal, extension or waiver, written consent of the Parent must be obtained. No delay on the part of any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any right, power or privilege hereunder, nor any single or partial exercise of any right, power or privilege hereunder, preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

9.6 No Strict Construction . The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party. Whenever in this Agreement or any other agreement contemplated herein the Board is permitted or required to take any action or to make a decision or determination, the Board shall take such action or make such decision or determination in its sole discretion, unless another standard is expressly set forth herein or therein. Whenever in this Agreement or any other agreement contemplated herein the Board is permitted or required to take any action or to make a decision or determination in its "sole discretion" or "discretion," with "complete discretion" or under a grant of similar authority or latitude, each member of the Board shall be entitled to consider such interests and factors as such member desires (including the interests of such member's Affiliates or employers).

9.7 Governing Law; Jurisdiction . This Agreement shall be governed and construed in accordance with the laws of the State of Texas applicable to agreements made and/or to be performed entirely within that State, without regard to conflicts of laws principles. Each of the

parties agrees that any dispute between the parties shall be resolved only in the courts of the State of Texas located in Dallas County, Texas or the United States District Court for the Northern District of Texas, Dallas Division and the appellate courts having jurisdiction of appeals in such courts. In that context, and without limiting the generality of the foregoing, each of the parties hereto irrevocably and unconditionally (a) submits for himself, herself or itself in any proceeding relating to this Agreement or Executive's employment by the Employer, or for the recognition and enforcement of any judgment in respect thereof (a " ***Proceeding*** "), to the exclusive jurisdiction of the courts of the State of Texas, the court of the United States of America for the Northern District of Texas, and appellate courts having jurisdiction of appeals from any of the foregoing, and agrees that all claims in respect of any such Proceeding shall be heard and determined in such Texas State court or, to the extent permitted by law, in such federal court; (b) consents that any such Proceeding may and shall be brought in such courts and waives any objection that he or it may now or thereafter have to the venue or jurisdiction of any such Proceeding in any such court or that such Proceeding was brought in an inconvenient court and agrees not to plead or claim the same or seek removal to another court; (c) agrees that service of process in any such Proceeding may be effected by mailing a copy of such process by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such party at his, her or its address as provided in Section 9.2 ; and (d) agrees that nothing in this Agreement shall affect the right to effect service of process in any other manner permitted by the laws of the State of Texas.

9.8 MUTUAL WAIVER OF JURY TRIAL . BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE STATE AND FEDERAL LAWS TO APPLY (RATHER THAN ARBITRATION RULES), THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM AND OF ARBITRATION, EACH PARTY TO THIS AGREEMENT HEREBY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE BETWEEN OR AMONG ANY OF THE PARTIES HERETO, WHETHER ARISING IN CONTRACT, TORT, OR OTHERWISE, ARISING OUT OF, CONNECTED WITH, RELATED OR INCIDENTAL TO THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREBY AND/OR THE RELATIONSHIP ESTABLISHED AMONG THE PARTIES HEREUNDER.

9.9 Assignment . This Agreement and all of Executive's rights and duties hereunder, shall not be assignable or delegable by Executive. Any purported assignment or delegation by Executive in violation of the foregoing shall be null and void ab initio and of no force and effect. This Agreement may be assigned by the Employer to a person or entity which is an Affiliate or a

successor in interest to substantially all of the business operations of the Employer. Upon such assignment, the rights of the Employer hereunder shall become the rights of such Affiliate or successor person or entity, but Employer shall remain jointly and severally liable, with the Affiliate or successor person or entity, for all obligations arising under this Agreement.

9.10 Successors; Binding Agreement . This Agreement shall inure to the benefit of and be binding upon personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

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

9.12 Headings . The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning of terms contained herein.

9.13 Severability . If any term, provision, covenant or restriction of this Agreement, or any part thereof, is held by a court of competent jurisdiction of any foreign, federal, state, county or local government or any other governmental, regulatory or administrative agency or authority to be invalid, void, unenforceable or against public policy for any reason, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected or impaired or invalidated. Further, in lieu of such invalid, void, unenforceable or against public policy provision, there will be automatically included, as part of this Agreement and to the extent allowed by controlling law, a provision as similar in terms to such invalid, void, unenforceable or against public policy provision as may be possible and legal, valid and enforceable. In the event any controlling law is subsequently amended or interpreted in such a way to make any provision of this Agreement that was formerly invalid a valid provision, such provision shall be considered to be valid from the date provided in such interpretation or amendment or, in the event the interpretation or amendment does not otherwise provide, from the effective date of such interpretation or amendment. Executive acknowledges that the restrictive covenants contained in Sections 7 and 8 or elsewhere are a condition of this Agreement and are reasonable and valid in temporal scope and in all other respects.

9.14 Definitions . For purposes of this Agreement, terms used herein but not otherwise defined shall have the meanings set forth in the Purchase Agreement. The following terms shall have the meanings set forth below:

" ***Affiliate*** " means, with respect to the Parent and its Subsidiaries, any other Person controlling, controlled by or under common control with the Parent or any of its Subsidiaries and, in the case of a Person which is a partnership, any partner of the Person.

" ***Business*** " means the business of the Employer and any member of the Parent Group while this Agreement is in effect, including, without limitation, the business relating to providing

comprehensive brokerage and financial advisory services through tax professionals and accountants that are engaged part-time as independent contractors and who are: (a) investment advisers or are supervised persons of, or persons associated with, an investment adviser (in each case as defined in the United States Investment Advisers Act of 1940, as amended); and/or (b) are broker-dealers registered under the United States Securities Exchange Act of 1934, as amended (the " ***Exchange Act*** ") (or associated persons thereof, as defined in the Exchange Act).

" ***Cause*** " means, as determined by the Board in its reasonable discretion: (a) Executive's conviction of, or plea of guilty or *nolo contendere* to, a misdemeanor involving dishonesty, wrongful taking of property, immoral conduct, bribery or extortion or any felony; (b) willful material misconduct by Executive in connection with the business of the Company; (c) Executive's continued and willful failure to perform substantially his responsibilities to the Company under this Agreement, after written demand for substantial performance has been given by the Board that specifically identifies how Executive has not substantially performed his responsibilities; (d) Executive's improper disclosure of confidential information or other material breach of this Agreement; (e) Executive's material fraud or dishonesty against the Company; (f) Executive's willful and material breach of the Company's written code of conduct and business ethics or other material written policy, procedure or guideline in effect from time to time (provided that Executive was given access to a copy of such policy, procedure or guideline prior to the alleged breach) relating to personal conduct; or (g) Executive's willful attempt to obstruct or willful failure to cooperate with any investigation authorized by the Board or any governmental or self-regulatory entity. Any determination of Cause by the Company shall be made by a resolution approved by a majority of the members of the Board, provided that, with respect to Section (c), the Board must give the Executive notice and sixty (60) days to cure the substantial nonperformance.

" ***Good Reason*** " means (a) relocation of Executive's primary work place more than fifty (50) miles from his present place of work without Executive's written consent, (b) a reduction in the amount of the Base Salary in effect from time to time, or (c) significant and material diminution in Executive's title or responsibilities hereunder without Executive's written consent; provided, however, that no resignation under this Agreement shall constitute resignation for Good Reason unless (x) Executive gives written notice of the event constituting Good Reason to the Board and the Board of Parent within ninety (90) days of the occurrence of such event, (y) the Employer (and its successors or assigns, if any) fail(s) to cure such event, if curable, within thirty (30) days of the receipt of such notice and (z) Executive delivers written notice of resignation within thirty (30) days of the expiration of the cure period described in clause (y).

" ***Parent*** " means Blucora, Inc., a Delaware corporation and parent of the Employer.

" ***Person*** " means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

" ***Subsidiary*** " or " ***Subsidiaries*** " means any Person of which (a) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers, or trustees thereof is at the time owned or controlled, directly or indirectly, by the Parent or one or more of its Subsidiaries or a combination thereof or (b) if a limited liability company, partnership, association or other business entity (other than a corporation), a majority of partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by the Parent or one or more of its Subsidiaries or a combination thereof and for this purpose a Person or Persons owns a majority ownership interest in such a business entity (other than a corporation) if such Person or Persons shall be allocated a majority of such business entity's gains or losses or shall be or control any managing director or general partner of such business entity (other than a corporation). For the purposes hereof, the term Subsidiary shall include all Subsidiaries of such Subsidiary.

9.15 Insurance . The Employer, at its discretion, may apply for and procure in its own name and for its own benefit life and/or disability insurance on Executive in any amount or amounts considered available. Executive agrees to cooperate in any medical or other examination, supply any information, and to execute and deliver any applications or other instruments in writing as may be reasonably necessary to obtain and constitute such insurance. Employer shall not access any information, whether medical or otherwise, that is obtained from Executive or relates to Executive, and that is gathered, created or produced in connection with this Section 9.15. Executive hereby represents that he has no reason to believe that his life is not insurable at rates now prevailing for healthy men of his age.

9.16 Tax Withholding . The members of the Parent Group shall be entitled to deduct or withhold from any amounts owing from the Parent Group to Executive any federal, state, local or foreign withholding taxes, excise tax, or employment taxes (" ***Taxes*** ") imposed with respect to Executive's compensation or other payments from a member of the Parent Group. In the event a member of the Parent Group does not make such deductions or withholdings, Executive shall indemnify the Parent Group for any amounts paid with respect to any such Taxes, together (if such failure to withhold was at the written direction of Executive) with any interest, penalties and related expenses thereto.

9.17 Remedies . Each of the Parties to this Agreement (and the Parent as a third party beneficiary) will be entitled to enforce its rights under this Agreement specifically, to recover actual damages and reasonable costs (including attorney's fees) caused by any breach of any

provision of this Agreement and to exercise all other rights existing in its favor. The Parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may in its sole discretion apply to any court or other tribunal (without posting any bond or deposit) for specific performance and/or other injunctive relief in order to enforce or prevent any violations of the provisions of this Agreement.

[*Remainder of this page intentionally left blank; Signature page to follow*]

IN WITNESS WHEREOF, the Parties hereto, intending to be legally bound hereby, have executed this Amended and Restated Employment Agreement as of the above written date.

PROJECT BASEBALL SUB, INC.

By: /s/ William Ruckelshaus
Name: William Ruckelshaus
Title: Chief Executive Officer

/s/ Roger Ochs
Roger Ochs

Exhibit 21.1

Subsidiaries of the registrant

InfoSpace LLC, a Delaware limited liability company
TaxAct Holdings, Inc., a Delaware corporation
TaxAct, Inc., an Iowa corporation (" ***TaxACT*** ")
SimpleTax Software, Inc., a British Columbia corporation
Monoprice Holdings, Inc., a Delaware corporation
Monoprice, Inc., a California corporation (" ***Monoprice*** ")
Project Baseball Sub, Inc., a Delaware corporation
HDV Holdings, Inc., a Delaware corporation
H.D. Vest, Inc., a Texas corporation (" ***HD Vest ")***

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

Registration Statement (Form S-8 No. 333-58422) pertaining to the InfoSpace, Inc. 2001 Nonstatutory Stock Option Plan and the InfoSpace, Inc. 1998 Employee Stock Purchase Plan,

Registration Statement (Form S-8 No. 333-198645) pertaining to the Blucora, Inc. Restated 1996 Flexible Stock Incentive Plan,

Registration Statement (Form S-8 No. 333-204585) pertaining to the Blucora, Inc. 2015 Incentive Plan, and

Registration Statement (Form S-8 No. 333-209218) pertaining to the Blucora, Inc. 2016 Equity Inducement Plan

of our reports dated February 24, 2016 , with respect to the consolidated financial statements of Blucora, Inc. and the effectiveness of internal control over financial reporting of Blucora, Inc. included in this Annual Report (Form 10-K) of Blucora, Inc., for the year ended December 31, 2015 .

/s/ ERNST & YOUNG LLP

Seattle, Washington
February 24, 2016

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002
(EXCHANGE ACT RULES 13a-14(a) and 15d-14(a))

I, William J. Ruckelshaus, certify that:

1. I have reviewed this Annual Report on Form 10-K of Blucora, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 24, 2016

/s/ William J. Ruckelshaus

William J. Ruckelshaus

Chief Executive Officer and President
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002
(EXCHANGE ACT RULES 13a-14(a) and 15d-14(a))

I, Eric M. Emans, certify that:

1. I have reviewed this Annual Report on Form 10-K of Blucora, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 24, 2016

/s/ Eric M. Emans

Eric M. Emans

Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

I, William J. Ruckelshaus, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report on Form 10-K of Blucora, Inc. for the year ended December 31, 2015 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Annual Report on Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Blucora, Inc.

Dated: February 24, 2016

By:	/s/ William J. Ruckelshaus
Name:	William J. Ruckelshaus
Title:	Chief Executive Officer and President (Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

I, Eric M. Emans, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report on Form 10-K of Blucora, Inc. for the year ended December 31, 2015 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Annual Report on Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Blucora, Inc.

Dated: February 24, 2016

By: /s/ Eric M. Emans

Name: Eric M. Emans

Title: Chief Financial Officer
(Principal Financial Officer)