

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2020

OR

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

For the transition period from _____ to _____

Commission File No. 001-38385

GCI LIBERTY, INC.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

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

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

80112
(Zip Code)

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

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

Title of each class	Trading Symbols	Name of exchange on which registered
Series A Common Stock	GLIBA	The Nasdaq Stock Market LLC
Series A Cumulative Redeemable preferred stock	GLIBP	The Nasdaq Stock Market LLC

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files.) Yes No

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

Large Accelerated Filer Accelerated Filer Non-accelerated Filer Smaller Reporting Company Emerging Growth Company

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

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

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

101,351,276 shares of Series A common stock; and
4,488,568 shares of Series B common stock

TABLE OF CONTENTS

Part I. Financial Information

Item 1.	Financial Statements	
	Condensed Consolidated Balance Sheets (unaudited)	I-3
	Condensed Consolidated Statements of Operations (unaudited)	I-5
	Condensed Consolidated Statements of Comprehensive Earnings (Loss) (unaudited)	I-6
	Condensed Consolidated Statements of Cash Flows (unaudited)	I-7
	Condensed Consolidated Statements of Equity (unaudited)	I-8
	Notes to Condensed Consolidated Financial Statements (unaudited)	I-10
Item 2.	Management’s Discussion and Analysis of Financial Condition and Results of Operations	I-25
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	I-37
Item 4.	Controls and Procedures	I-38

Part II. Other Information

Item 1.	Legal Proceedings	II-1
Item 1A.	Risk Factors	II-1
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	II-3
Item 6.	Exhibits	II-4
	<u>SIGNATURES</u>	II-6

GCI LIBERTY, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(unaudited)

	September 30, 2020	December 31, 2019
	amounts in thousands	
<i>Assets</i>		
Current assets:		
Cash and cash equivalents	\$ 552,604	569,520
Trade and other receivables, net of allowance for doubtful accounts of \$6,916 and \$7,516, respectively	283,687	114,435
Other current assets	61,593	43,868
Total current assets	<u>897,884</u>	<u>727,823</u>
Investments in equity securities (note 4)	3,350,749	2,605,293
Investments in affiliates, accounted for using the equity method (note 5)	157,484	167,643
Investment in Liberty Broadband measured at fair value (note 5)	6,097,955	5,367,242
Property and equipment, net	1,045,585	1,090,901
Intangible assets not subject to amortization (note 6)		
Goodwill	830,268	855,837
Cable certificates	305,000	305,000
Other	37,500	41,500
	<u>1,172,768</u>	<u>1,202,337</u>
Intangible assets subject to amortization, net (note 6)	356,327	391,979
Tax sharing receivable	88,349	84,534
Other assets, net	192,741	295,693
Total assets	<u>\$ 13,359,842</u>	<u>11,933,445</u>

See accompanying notes to interim condensed consolidated financial statements.

GCI LIBERTY, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets (Continued)
(unaudited)

	September 30, 2020	December 31, 2019
	amounts in thousands, except share amounts	
<i>Liabilities and Equity</i>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 117,728	92,893
Deferred revenue	26,748	27,886
Current portion of debt, including \$820,035 and \$0 measured at fair value, respectively (note 7)	823,166	3,008
Indemnification obligation (note 3)	309,541	202,086
Other current liabilities	84,161	69,149
Total current liabilities	1,361,344	395,022
Long-term debt, net, including \$0 and \$658,839 measured at fair value, respectively (note 7)	2,599,521	3,263,210
Obligations under finance leases and tower obligations, excluding current portion	93,742	97,507
Long-term deferred revenue	48,724	57,986
Deferred income tax liabilities	1,865,998	1,527,109
Preferred stock (note 8)	178,066	178,002
Derivative instrument (note 3)	63,456	71,305
Other liabilities	116,301	133,020
Total liabilities	6,327,152	5,723,161
<i>Equity</i>		
Stockholders' equity:		
Series A common stock, \$0.01 par value. Authorized 500,000,000 shares; issued and outstanding 101,350,710 shares at September 30, 2020 and 101,306,716 shares at December 31, 2019	1,014	1,013
Series B common stock, \$0.01 par value. Authorized 20,000,000 shares; issued and outstanding 4,488,568 shares at September 30, 2020 and 4,437,593 shares at December 31, 2019	45	44
Series C common stock, \$0.01 par value. Authorized 1,040,000,000 shares; no issued and outstanding at September 30, 2020 and December 31, 2019	—	—
Additional paid-in capital	3,231,926	3,221,885
Accumulated other comprehensive earnings (loss), net of taxes	8,148	(4,084)
Retained earnings	3,782,834	2,982,626
Total stockholders' equity	7,023,967	6,201,484
Non-controlling interests	8,723	8,800
Total equity	7,032,690	6,210,284
Commitments and contingencies (note 10)		
Total liabilities and equity	\$ 13,359,842	11,933,445

See accompanying notes to interim condensed consolidated financial statements.

GCI LIBERTY, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
	amounts in thousands, except per share amounts			
Revenue	\$ 246,892	227,044	707,511	662,346
Operating costs and expenses:				
Operating expense (exclusive of depreciation and amortization shown separately below)	69,561	72,637	210,062	209,962
Selling, general and administrative, including stock-based compensation (note 9)	106,571	93,597	289,278	305,184
Depreciation and amortization expense	60,688	66,466	184,856	200,035
Insurance proceeds and restructuring, net	—	(1,482)	—	236
	<u>236,820</u>	<u>231,218</u>	<u>684,196</u>	<u>715,417</u>
Operating income (loss)	10,072	(4,174)	23,315	(53,071)
Other income (expense):				
Interest expense (including amortization of deferred loan fees)	(29,722)	(38,353)	(100,364)	(116,357)
Share of earnings (losses) of affiliates, net (note 5)	(9,035)	1,921	(7,504)	(2,443)
Realized and unrealized gains (losses) on financial instruments, net (note 3)	1,172,685	156,165	1,199,560	1,844,863
Tax sharing agreement	26,146	2,362	30,057	18,895
Other, net	(7,314)	(540)	(5,176)	13,824
	<u>1,152,760</u>	<u>121,555</u>	<u>1,116,573</u>	<u>1,758,782</u>
Earnings (loss) before income taxes	1,162,832	117,381	1,139,888	1,705,711
Income tax (expense) benefit	(338,446)	(28,087)	(336,776)	(478,887)
Net earnings (loss)	824,386	89,294	803,112	1,226,824
Less net earnings (loss) attributable to the non-controlling interests	(26)	(28)	(77)	(85)
Net earnings (loss) attributable to GCI Liberty, Inc. shareholders	<u>\$ 824,412</u>	<u>89,322</u>	<u>803,189</u>	<u>1,226,909</u>
Basic net earnings (loss) attributable to Series A and Series B GCI Liberty, Inc. shareholders per common share (note 2)	\$ 7.81	0.85	7.61	11.71
Diluted net earnings (loss) attributable to Series A and Series B GCI Liberty, Inc. shareholders per common share (note 2)	\$ 7.74	0.84	7.55	11.60

See accompanying notes to interim condensed consolidated financial statements.

GCI LIBERTY, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Comprehensive Earnings (Loss)
(Unaudited)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2020	2019	2020	2019
	amounts in thousands			
Net earnings (loss)	\$ 824,386	89,294	803,112	1,226,824
Other comprehensive earnings (loss), net of taxes:				
Comprehensive earnings (loss) attributable to debt credit risk adjustments	(6,619)	(5,477)	12,232	(657)
Comprehensive earnings (loss)	817,767	83,817	815,344	1,226,167
Less comprehensive earnings (loss) attributable to the non-controlling interests	(26)	(28)	(77)	(85)
Comprehensive earnings (loss) attributable to GCI Liberty, Inc. shareholders	<u>\$ 817,793</u>	<u>83,845</u>	<u>815,421</u>	<u>1,226,252</u>

See accompanying notes to interim condensed consolidated financial statements.

GCI LIBERTY, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Nine months ended September 30,	
	2020	2019
	amounts in thousands	
Cash flows from operating activities:		
Net earnings (loss)	\$ 803,112	1,226,824
Adjustments to reconcile net earnings (loss) to net cash from operating activities:		
Depreciation and amortization	184,856	200,035
Stock-based compensation expense	11,389	18,153
Share of (earnings) losses of affiliates, net	7,504	2,443
Realized and unrealized (gains) losses on financial instruments, net	(1,199,560)	(1,844,863)
Deferred income tax expense (benefit)	336,874	478,850
Other, net	9,232	(2,843)
Change in operating assets and liabilities:		
Current and other assets	(81,460)	39,289
Payables and other liabilities	(4,048)	(35,774)
Net cash provided (used) by operating activities	<u>67,899</u>	<u>82,114</u>
Cash flows from investing activities:		
Capital expended for property and equipment	(107,247)	(108,633)
Proceeds from derivative instrument	—	105,866
Settlement of derivative instrument	—	(105,866)
Other investing activities, net	25,634	6,340
Net cash provided (used) by investing activities	<u>(81,613)</u>	<u>(102,293)</u>
Cash flows from financing activities:		
Borrowings of debt	—	325,000
Repayment of debt, finance leases and tower obligations	(6,596)	(334,275)
Repurchases of GCI Liberty common stock	—	(43,910)
Other financing activities, net	(3,060)	(7,802)
Net cash provided (used) by financing activities	<u>(9,656)</u>	<u>(60,987)</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	(23,370)	(81,166)
Cash, cash equivalents and restricted cash at beginning of period	576,150	492,032
Cash, cash equivalents and restricted cash at end of period	<u>\$ 552,780</u>	<u>410,866</u>

The following table reconciles cash and cash equivalents and restricted cash reported in the accompanying condensed consolidated balance sheets to the total amount presented in the accompanying condensed consolidated statement of cash flows:

	September 30, 2020	December 31, 2019
	amounts in thousands	
Cash and cash equivalents	\$ 552,604	569,520
Restricted cash included in other current assets	176	6,630
Total cash and cash equivalents and restricted cash at end of period	<u>\$ 552,780</u>	<u>576,150</u>

See accompanying notes to condensed consolidated financial statements.

GCI LIBERTY, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Equity
(Unaudited)

	Series A common stock	Series B common stock	Additional paid-in capital	Accumulated other comprehensive earnings (loss)	Retained earnings	Non-controlling interest in equity of subsidiaries	Total equity
				amounts in thousands			
Balances at January 1, 2020	\$ 1,013	44	3,221,885	(4,084)	2,982,626	8,800	6,210,284
Net earnings (loss)	—	—	—	—	803,189	(77)	803,112
Other comprehensive earnings (loss), net of taxes	—	—	—	12,232	—	—	12,232
Stock-based compensation	—	—	11,477	—	—	—	11,477
Issuance of common stock upon exercise of stock options	1	1	427	—	—	—	429
Withholding taxes on net share settlements of stock-based compensation	—	—	(1,811)	—	—	—	(1,811)
Other	—	—	(52)	—	(2,981)	—	(3,033)
Balances at September 30, 2020	<u>\$ 1,014</u>	<u>45</u>	<u>3,231,926</u>	<u>8,148</u>	<u>3,782,834</u>	<u>8,723</u>	<u>7,032,690</u>

	Series A common stock	Series B common stock	Additional paid-in capital	Accumulated other comprehensive earnings (loss)	Retained earnings	Non-controlling interest in equity of subsidiaries	Total equity
				amounts in thousands			
Balances at July 1, 2020	\$ 1,013	45	3,227,258	14,767	2,958,423	8,749	6,210,255
Net earnings (loss)	—	—	—	—	824,412	(26)	824,386
Other comprehensive earnings (loss), net of taxes	—	—	—	(6,619)	—	—	(6,619)
Stock-based compensation	—	—	4,822	—	—	—	4,822
Issuance of common stock upon exercise of stock options	1	—	400	—	—	—	401
Withholding taxes on net share settlements of stock-based compensation	—	—	(555)	—	—	—	(555)
Other	—	—	1	—	(1)	—	—
Balances at September 30, 2020	<u>\$ 1,014</u>	<u>45</u>	<u>3,231,926</u>	<u>8,148</u>	<u>3,782,834</u>	<u>8,723</u>	<u>7,032,690</u>

See accompanying notes to interim condensed consolidated financial statements.

GCI LIBERTY, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Equity (continued)
(Unaudited)

	Series A common stock	Series B common stock	Additional paid-in capital	Accumulated other comprehensive earnings (loss)	Retained earnings	Non-controlling interest in equity of subsidiaries	Total equity
amounts in thousands							
Balances at January 1, 2019	\$ 1,021	44	3,251,957	168	1,043,933	9,567	4,306,690
Net earnings (loss)	—	—	—	—	1,226,909	(85)	1,226,824
Other comprehensive earnings (loss), net of taxes	—	—	—	(657)	—	—	(657)
Stock-based compensation	—	—	19,539	—	—	—	19,539
Repurchases of GCI Liberty common stock	(10)	—	(43,900)	—	—	—	(43,910)
Issuance of common stock upon exercise of stock options	1	—	1,696	—	—	—	1,697
Withholding taxes on net share settlements of stock-based compensation	—	—	(3,501)	—	—	—	(3,501)
Other	—	—	92	—	(5)	—	87
Balances at September 30, 2019	\$ 1,012	44	3,225,883	(489)	2,270,837	9,482	5,506,769

	Series A common stock	Series B common stock	Additional paid-in capital	Accumulated other comprehensive earnings (loss)	Retained earnings	Non-controlling interest in equity of subsidiaries	Total equity
amounts in thousands							
Balances at July 1, 2019	\$ 1,012	44	3,219,710	4,988	2,181,515	9,510	5,416,779
Net earnings (loss)	—	—	—	—	89,322	(28)	89,294
Other comprehensive earnings (loss), net of taxes	—	—	—	(5,477)	—	—	(5,477)
Stock-based compensation	—	—	5,775	—	—	—	5,775
Issuance of common stock upon exercise of stock options	—	—	391	—	—	—	391
Withholding taxes on net share settlements of stock-based compensation	—	—	(70)	—	—	—	(70)
Other	—	—	77	—	—	—	77
Balances at September 30, 2019	\$ 1,012	44	3,225,883	(489)	2,270,837	9,482	5,506,769

See accompanying notes to interim condensed consolidated financial statements.

GCI LIBERTY, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
(Unaudited)

(1) Basis of Presentation

The accompanying condensed consolidated financial statements include the accounts of GCI Liberty, Inc. and its controlled subsidiaries, as well as other equity securities and equity method investments (collectively, “GCI Liberty”, the “Company”, “us”, “we” and “our”). All significant intercompany accounts and transactions have been eliminated in the condensed consolidated financial statements. GCI Liberty is made up of its wholly-owned subsidiary, GCI Holdings, LLC (“GCI Holdings”), a controlling interest in Evite, Inc. (“Evite”) until Evite was sold on September 14, 2020 and non-controlling interests in Liberty Broadband Corporation (“Liberty Broadband”), Charter Communications, Inc. (“Charter”), and LendingTree, Inc. (“LendingTree”). The sale of Evite did not have a material impact to the Company’s financial results. These assets (other than GCI Holdings) were contributed by Liberty Interactive Corporation, now known as Qurate Retail, Inc. (“Qurate Retail”), in exchange for, among other things, a controlling interest in GCI Liberty, which was subsequently split-off (the “Holdco Split-Off”).

The accompanying condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States (“GAAP”) for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X as promulgated by the Securities and Exchange Commission. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the results for the periods presented have been included. The results of operations for any interim period are not necessarily indicative of results for the full year. Additionally, certain prior period amounts have been reclassified for comparability with current period presentation. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

In December 2019, Chinese officials reported a novel coronavirus outbreak (“COVID-19”). COVID-19 has since spread through China and internationally. On March 11, 2020, the World Health Organization assessed COVID-19 as a global pandemic, causing many countries throughout the world to take aggressive actions, including imposing travel restrictions and stay-at-home orders, closing public attractions and restaurants, and mandating social distancing practices, which has caused a significant disruption to most sectors of the economy.

COVID-19 has not had a material impact on GCI Liberty’s operating results for the three and nine months ended September 30, 2020, however, management has increased certain estimates, including but not limited to, allowance for doubtful accounts. Other than these changes, the Company is not presently aware of any events or circumstances arising from the COVID-19 pandemic that would require us to update the Company’s estimates or judgments or revise the carrying value of its assets or liabilities. The Company’s estimates may change, however, as new events occur and additional information is obtained, and any such changes will be recognized in the consolidated financial statements. Actual results could differ from estimates, and any such differences may be material to the Company’s financial statements.

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

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

GCI LIBERTY, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
(Unaudited)

On August 6, 2020, GCI Liberty and Liberty Broadband entered into a definitive merger agreement under which Liberty Broadband agreed to acquire all of the outstanding shares of GCI Liberty in a stock-for-stock merger (the "Combination"). Under the terms of the merger agreement each holder of Series A and B common stock of GCI Liberty will receive 0.58 of a share of Series C common stock and Series B common stock, respectively, of Liberty Broadband. Additionally, holders of a share of Series A Cumulative Redeemable Preferred Stock of GCI Liberty will receive one share of Series A Cumulative Redeemable Preferred Stock with mirror terms to be issued by Liberty Broadband. The Combination was recommended to the Company's Board of Directors for approval by a special committee composed solely of independent, disinterested directors and advised by independent financial and legal advisors. The closing of the Combination is subject to certain customary conditions, including: (i) the adoption of the merger agreement by holders of a majority of the aggregate voting power of the GCI Liberty outstanding stock entitled to vote thereon not owned by John C. Malone and certain other persons, (ii) the adoption of the merger agreement by holders of a majority of the aggregate voting power of the Liberty Broadband outstanding stock entitled to vote thereon not owned by John C. Malone and certain other persons, (iii) the adoption of the merger agreement by holders of a majority of the aggregate voting power of the GCI Liberty outstanding stock entitled to vote thereon, (iv) approval of the Liberty Broadband stock issuance by holders of a majority of the aggregate voting power of the Liberty Broadband outstanding stock present in person or by proxy at the stockholder meeting and entitled to vote thereon and (v) the receipt of any applicable regulatory approvals. GCI Liberty and Liberty Broadband expect the Combination to close no later than the first quarter of 2021, subject to potential COVID-19 related delays.

GCI Liberty has entered into certain agreements with Qurate Retail and Liberty Media Corporation ("Liberty Media") (or its subsidiary), all of which are separate, publicly traded companies, in order to govern certain relationships between the companies. None of these entities have any stock ownership, beneficial or otherwise, in the other. These agreements include an indemnification agreement, a reorganization agreement, a services agreement, a facilities sharing agreement and a tax sharing agreement.

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

Liberty Media is a related party of GCI Liberty for accounting purposes as a result of the services agreement. Under these agreements, approximately \$2.0 million and \$2.3 million was reimbursable to Liberty Media for the three months ended September 30, 2020 and 2019, respectively, and \$6.1 million and \$6.8 million was reimbursable to Liberty Media for the nine months ended September 30, 2020 and 2019, respectively.

In addition, Qurate Retail and GCI Liberty have agreed to indemnify each other with respect to certain potential losses in respect of the HoldCo Split-Off. See note 3 for information related to the indemnification agreement.

GCI LIBERTY, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
(Unaudited)

In December 2019, the Company entered into an amendment to the services agreement with Liberty Media in connection with Liberty Media's entry into a new employment arrangement with Gregory B. Maffei, the Company's President and Chief Executive Officer ("CEO"). Under the amended services agreement, components of his compensation will either be paid directly to him by each of the Company, Liberty TripAdvisor Holdings, Inc., Liberty Broadband, and Qurate Retail (collectively, the "Service Companies") or reimbursed to Liberty Media, in each case, based on allocations among Liberty Media and the Service Companies set forth in the amended services agreement, currently set at 14% for the Company.

(2) Earnings Attributable to GCI Liberty Stockholders Per Common Share

Basic earnings (loss) per common share ("EPS") is computed by dividing net earnings (loss) by the weighted average number of common shares outstanding ("WASO") for the period. Diluted EPS presents the dilutive effect on a per share basis of potential common shares as if they had been converted at the beginning of the periods presented. Excluded from diluted EPS for the three months ended September 30, 2020 and 2019 are 15 thousand and zero potential common shares, respectively, because their inclusion would have been antidilutive. Excluded from diluted EPS for the nine months ended September 30, 2020 and 2019 are 15 thousand and zero potential common shares, respectively, because their inclusion would have been antidilutive.

Series A and Series B Common Stock

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
	number of shares in thousands			
Basic WASO	105,564	104,819	105,536	104,800
Potentially dilutive shares (a)	993	1,031	797	998
Diluted WASO (a)	<u>106,557</u>	<u>105,850</u>	<u>106,333</u>	<u>105,798</u>

(a) Potentially dilutive shares are excluded from the computation of diluted EPS during periods in which losses are reported since the result would be antidilutive.

(3) Assets and Liabilities Measured at Fair Value

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

GCI LIBERTY, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
(Unaudited)

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

Description	September 30, 2020			December 31, 2019		
	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)
amounts in thousands						
Cash equivalents	\$ 438,545	438,545	—	533,484	533,484	—
Equity securities	\$ 3,345,464	3,345,464	—	2,600,008	2,600,008	—
Investment in Liberty Broadband	\$ 6,097,955	6,097,955	—	5,367,242	5,367,242	—
Derivative instrument liability	\$ 63,456	—	63,456	71,305	—	71,305
Indemnification obligation	\$ 309,541	—	309,541	202,086	—	202,086
Exchangeable senior debentures	\$ 820,035	—	820,035	658,839	—	658,839

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

The indemnification liability is due to Liberty Interactive LLC ("LI LLC") and pertains to the ability of holders of LI LLC's 1.75% exchangeable debentures due 2046 (the "1.75% Exchangeable Debentures") to exercise their exchange right according to the terms of the 1.75% Exchangeable Debentures on or before October 5, 2023. Such amount will equal the difference between the exchange value and par value of the 1.75% Exchangeable Debentures at the time the exchange occurs. The indemnification obligation recorded in the accompanying condensed consolidated balance sheets as of September 30, 2020 represents the fair value of the estimated exchange feature included in the 1.75% Exchangeable Debentures primarily based on observable market data as significant inputs (Level 2). As of September 30, 2020, a holder of the 1.75% Exchangeable Debentures has the ability to exchange and, accordingly, such indemnification obligation is included as a current liability in the accompanying condensed consolidated balance sheets.

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

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

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2020	2019	2020	2019
amounts in thousands				
Equity securities	\$ 612,465	90,770	746,406	683,808
Investment in Liberty Broadband	807,114	19,207	730,713	1,393,135
Derivative instruments	(2,019)	60,640	7,849	(57,721)
Indemnification obligation	(94,871)	(3,485)	(107,456)	(58,311)
Exchangeable senior debentures	(150,004)	(10,967)	(177,952)	(116,048)
	\$ 1,172,685	156,165	1,199,560	1,844,863

The Company has elected to account for its exchangeable senior debentures using the fair value option. Changes in the fair value of the exchangeable senior debentures recognized in the condensed consolidated statements of operations are primarily due to market factors primarily driven by changes in the fair value of the underlying shares into which the

GCI LIBERTY, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
(Unaudited)

debt is exchangeable. The Company isolates the portion of the unrealized gain (loss) attributable to the change in the instrument specific credit risk and recognizes such amount in other comprehensive income. The change in the fair value of the exchangeable senior debentures attributable to changes in the instrument specific credit risk were losses of \$9.0 million and \$7.5 million for the three months ended September 30, 2020 and 2019, respectively, and a gain of \$ 16.8 million and a loss of \$0.9 million for the nine months ended September 30, 2020 and 2019, respectively. The cumulative change was a gain of \$11.2 million as of September 30, 2020.

(4) Investments in Equity Securities

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

	September 30, 2020	December 31, 2019
amounts in thousands		
Charter (a)	\$ 3,345,464	2,599,253
Other investments (b)	5,285	6,040
	\$ 3,350,749	2,605,293

- (a) A portion of the Charter equity securities are considered covered shares and subject to certain contractual restrictions in accordance with the indemnification agreement. See note 3 for additional discussion of the indemnification agreement.
- (b) The Company has elected the measurement alternative for a portion of these securities where the fair value is not readily determinable.

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

The Company has various investments accounted for using the equity method. The following table includes the Company's carrying amount and percentage ownership of the more significant investments in affiliates at September 30, 2020 and the carrying amount at December 31, 2019:

	September 30, 2020			December 31, 2019
	Percentage ownership	Market value	Carrying amount	Carrying amount
dollars in thousands				
LendingTree (a)	26.3 %	\$ 1,056,926	\$ 156,627	166,465
Other	various	NA	857	1,178
			\$ 157,484	167,643

- (a) Both the Company's ownership interest in LendingTree and the Company's share of LendingTree's earnings (losses) are reported on a three month lag. The market value disclosed is as of September 30, 2020.

The Company's share of LendingTree's earnings (losses) were losses of \$9.1 million and earnings of \$2.0 million for the three months ended September 30, 2020 and 2019, respectively. The Company's share of LendingTree's earnings (losses) were losses of \$7.3 million and \$1.4 million for the nine months ended September 30, 2020 and 2019, respectively.

Investment in Liberty Broadband

As of September 30, 2020, the Company has a 23.7% economic ownership interest in Liberty Broadband. Due to overlapping boards of directors and management, the Company has been deemed to have significant influence over Liberty Broadband for accounting purposes, even though the Company does not have any voting rights. The Company has elected to apply the fair value option for its investment in Liberty Broadband (Level 1) as it is believed that investors value this

GCI LIBERTY, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
(Unaudited)

investment based on the trading price of Liberty Broadband. The Company recognizes changes in the fair value of its investment in Liberty Broadband in realized and unrealized gains (losses) on financial instruments, net in the accompanying condensed consolidated statements of operations. Summarized financial information for Liberty Broadband is as follows:

	September 30, 2020	December 31, 2019
	amounts in thousands	
Current assets	\$ 402,492	52,133
Investment in Charter, accounted for using the equity method	12,450,425	12,194,674
Other assets	8,772	9,535
Total assets	12,861,689	12,256,342
Long-term debt	1,318,664	572,944
Deferred income tax liabilities	1,036,672	999,757
Other liabilities	19,103	15,695
Equity	10,487,250	10,667,946
Total liabilities and shareholders' equity	\$ 12,861,689	12,256,342

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
	amounts in thousands			
Revenue	\$ 4,219	3,713	12,437	10,918
Operating expenses, net	(20,547)	(11,301)	(45,872)	(31,873)
Operating income (loss)	(16,328)	(7,588)	(33,435)	(20,955)
Share of earnings (losses) of affiliates	188,586	61,633	408,396	141,882
Gain (loss) on dilution of investment in affiliate	(35,284)	(11,219)	(140,610)	(68,944)
Realized and unrealized gains (losses) on financial instruments, net	(39,324)	(433)	(39,324)	(433)
Other income (expense), net	(3,711)	(5,773)	(14,512)	(17,829)
Income tax benefit (expense)	(24,979)	(9,124)	(47,183)	(8,474)
Net earnings (loss)	\$ 68,960	27,496	133,332	25,247

(6) Intangible Assets

Intangible Assets Not Subject to Amortization

The sale of Evite, as discussed in note 1 of the accompanying condensed consolidated financial statements, resulted in a reduction to Goodwill of \$25.6 million and a reduction in Other intangible assets not subject to amortization related to tradenames of \$4.0 million.

GCI LIBERTY, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Intangible Assets Subject to Amortization

	September 30, 2020			December 31, 2019		
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
	amounts in thousands					
Customer relationships	\$ 385,000	(97,438)	287,562	408,267	(95,167)	313,100
Other amortizable intangibles	119,707	(50,942)	68,765	139,721	(60,842)	78,879
Total	\$ 504,707	(148,380)	356,327	547,988	(156,009)	391,979

Amortization expense for intangible assets with finite useful lives was \$13.9 million and \$15.2 million for the three months ended September 30, 2020 and 2019, respectively. Amortization expense for intangible assets with finite useful lives was \$41.9 million and \$46.5 million for the nine months ended September 30, 2020 and 2019, respectively. Amortization expense for amortizable intangible assets for each of the five succeeding fiscal years is estimated to be (amounts in thousands):

Remainder of 2020	\$ 12,155
2021	\$ 45,714
2022	\$ 40,508
2023	\$ 36,079
2024	\$ 31,691

(7) Debt

Debt is summarized as follows:

	Outstanding principal September 30, 2020	Carrying value	
		September 30, 2020	December 31, 2019
	amounts in thousands		
Margin Loan Facility	\$ 1,300,000	1,300,000	1,300,000
Exchangeable senior debentures	477,250	820,035	658,839
Senior notes	775,000	793,524	796,138
Senior credit facility	510,822	510,822	512,666
Wells Fargo note payable	6,608	6,608	7,066
Deferred financing costs	—	(8,302)	(8,491)
Total debt	\$ 3,069,680	3,422,687	3,266,218
Debt classified as current		(823,166)	(3,008)
Total long-term debt		\$ 2,599,521	3,263,210

Margin Loan

On August 12, 2020, Broadband Holdco, LLC ("Broadband Holdco") entered into Amendment No. 3 to the Margin Loan Agreement, which amends the original margin loan agreement, dated December 29, 2017 (as amended by that certain Amendment No. 1 to Margin Loan Agreement, dated as of October 5, 2018, and as further amended by that certain Amendment No. 2 to Margin Loan Agreement and Amendment No. 1 to Collateral Account Control Agreement, dated as of November 25, 2019, the "Existing Margin Loan Agreement", and the Existing Margin Loan Agreement as amended by the Third Amendment, the "Margin Loan Agreement"). Pursuant to Amendment No. 3, lenders have agreed to, among other things, extend the maturity date of the Margin Loan Agreement to August 24, 2022. This facility provides a delayed draw term loan facility of \$300.0 million ("Delayed Draw Term Loan Facility"), a revolving credit facility in an

GCI LIBERTY, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
(Unaudited)

aggregate principal amount of up to \$200.0 million (the “Revolving Credit Facility”) and a separate term loan facility in an aggregate amount of \$800.0 million (the “Initial Term Loan Facility”; the Delayed Draw Term Loan Facility, the Revolving Credit Facility and the Initial Term Loan Facility, collectively, the “Margin Loan Facilities” and the loans extended thereunder, the “Loans”). The Loans will mature on August 24, 2022 (the “Maturity Date”) and accrue interest at a rate equal to the 3-month LIBOR rate plus a per annum spread of 1.85%, subject to certain conditions and exceptions. The Margin Loan Agreement also provides for customary LIBOR replacement provisions. Undrawn revolving commitments shall be available to Broadband Holdco from August 12, 2020 to but excluding the earlier of (i) the date that is one month prior to the Maturity Date and (ii) the date of the termination of such revolving commitments pursuant to the terms of the Margin Loan Agreement. The obligations under the Margin Loan Facility are secured by first priority liens on the shares of Liberty Broadband owned by Broadband Holdco and certain other cash collateral provided by Broadband Holdco. 42,681,842 shares of Liberty Broadband Series C common stock with a value of \$6.1 billion were pledged by Broadband Holdco as collateral for the Loans as of September 30, 2020.

On December 27, 2019, Broadband Holdco borrowed \$100.0 million under the Revolving Credit Facility and \$300.0 million under the Delayed Draw Term Loan Facility. As of September 30, 2020, \$1,300.0 million in borrowings were outstanding under the Margin Loan Facility.

Exchangeable Senior Debentures

On June 18, 2018, GCI Liberty issued 1.75% exchangeable senior debentures due 2046 (“Exchangeable Senior Debentures”). Upon an exchange of debentures, GCI Liberty, at its option, may deliver Charter Class A common stock, cash or a combination of Charter Class A common stock and cash. Initially, 2,6989 shares of Charter Class A common stock are attributable to each \$1,000 principal amount of debentures, representing an initial exchange price of approximately \$370.52 for each share of Charter Class A common stock. A total of 1,288,051 shares of Charter Class A common stock are attributable to the debentures. Interest is payable quarterly on March 31, June 30, September 30 and December 31 of each year. The debentures may be redeemed by GCI Liberty, in whole or in part, on or after October 5, 2023. Holders of debentures also have the right to require GCI Liberty to purchase their debentures on October 5, 2023. The redemption and purchase price will generally equal 100% of the adjusted principal amount of the debentures plus accrued and unpaid interest. The Company has elected to account for the debentures using the fair value option. See note 3 for information related to unrealized gains (losses) on debt measured at fair value. As of September 30, 2020, the holders of the debentures will have the ability to exchange their debentures for the period from October 1, 2020 through at least December 31, 2020 given that the trading value of the reference shares exceeded 130% of the par value for twenty of the last thirty trading days in the third quarter of 2020. Given the holders’ ability to exchange the debentures within a one-year period from the balance sheet date and the Company’s option to settle any exchange in cash, shares of Charter Class A common stock, or a combination of cash and shares of Charter Class A common stock, the debentures have been classified as current within the condensed consolidated balance sheets as of September 30, 2020. The Company reviews the terms of the debentures on a quarterly basis to determine whether an event has occurred to require current classification.

Senior Notes

On June 6, 2019, GCI, LLC, a wholly owned subsidiary of the Company, issued \$325.0 million of 6.625% Senior Notes due 2024 at par (“2024 Notes”). The 2024 Notes are unsecured and the net proceeds were used to fund the redemption of \$325.0 million aggregate outstanding principal amount of GCI, LLC’s 6.75% Senior Notes due 2021. Interest on the 2024 Notes and GCI, LLC’s 6.875% Senior Notes due 2025 (the “2025 Notes” and collectively, the “Senior Notes”), is payable semi-annually in arrears. The Senior Notes are redeemable at the Company’s option, in whole or in part, at a redemption price defined in the respective indentures, and accrued and unpaid interest (if any) to the date of redemption. The Senior Notes are stated net of an aggregate unamortized premium of \$18.5 million at September 30, 2020. Such premium is being amortized to interest expense in the accompanying condensed consolidated statements of operations.

GCI LIBERTY, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
(Unaudited)

On October 7, 2020, GCI, LLC issued \$600.0 million of 4.750% senior notes due 2028 (the “2028 Notes”). The 2028 Notes are unsecured and the net proceeds of the offering, together with cash on hand and net proceeds from incremental borrowings under the Senior Credit Facility (as defined below), were used to fund the redemption of all \$450 million aggregate outstanding principal amount of the 2025 Notes and the redemption of all \$325 million aggregate outstanding principal amount of the 2024 Notes on October 14, 2020 and October 23, 2020, respectively.

Senior Credit Facility

On December 27, 2018, GCI, LLC amended and restated the Fifth Amended and Restated Credit Agreement dated as of March 9, 2018 and refinanced the revolving credit facility and term loan A with a new revolving credit facility, leaving the existing Term Loan B in place (the “Senior Credit Facility”). The Senior Credit Facility provides a \$240.7 million term loan B (“Term Loan B”) and a \$550.0 million revolving credit facility (see below for amendment information subsequent to September 30, 2020).

GCI, LLC’s Senior Credit Facility Total Leverage Ratio (as defined in the Senior Credit Facility) may not exceed 6.50 to 1.00 and the Secured Leverage Ratio (as defined in the Senior Credit Facility) may not exceed 4.00 to 1.00.

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

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

The terms of the Senior Credit Facility include customary representations and warranties, customary affirmative and negative covenants and customary events of default. At any time after the occurrence of an event of default under the Senior Credit Facility, the lenders may, among other options, declare any amounts outstanding under the Senior Credit Facility immediately due and payable and terminate any commitment to make further loans under the Senior Credit Facility. The obligations under the Senior Credit Facility are secured by a security interest on substantially all of the assets of GCI Holdings and the subsidiary guarantors, as defined in the Senior Credit Facility, and on the stock of GCI Holdings.

As of September 30, 2020, there was \$235.8 million outstanding under the Term Loan B, \$275.0 million outstanding under the revolving portion of the Senior Credit Facility and \$4.0 million in letters of credit under the Senior Credit Facility, leaving \$271.0 million available for borrowing.

On October 15, 2020, GCI, LLC amended the Senior Credit Facility to, among other things, extend the maturity dates of the borrowings and commitments under the revolving credit facility and the Term Loan B and increase the aggregate principal amount of the Term Loan B to \$400.0 million (the “Amended Credit Facilities”). The Amended Credit Facilities include a \$550 million revolving credit facility, with a \$25 million sub-limit for standby letters of credit, and a \$400 million Term Loan B. The borrowings under the Amended Credit Facilities bear interest at either the alternate base rate or LIBOR (based on an interest period selected by GCI, LLC of one month, two months, three months or six months) at the election of GCI, LLC in each case plus a margin. The revolving credit facility borrowings that are alternate base rate loans bear interest at a per annum rate equal to the alternate base rate plus a margin that varies between 0.50% and 1.75% depending on GCI, LLC’s total leverage ratio. The revolving credit facility borrowings that are LIBOR loans bear interest at a per annum rate equal to the applicable LIBOR plus a margin that varies between 1.50% and 2.75% depending on GCI, LLC’s total leverage ratio. Term Loan B borrowings that are alternate base rate loans bear interest at a per annum rate equal to the alternate base rate plus a margin of 1.75%. Term Loan B borrowings that are LIBOR loans bear interest at a per annum rate equal to the applicable LIBOR plus a margin of 2.75% with a LIBOR floor of 0.75%.

GCI LIBERTY, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
(Unaudited)

The borrowings under the revolving credit facility and the Term Loan B under the Amended Credit Facilities are scheduled to mature on October 15, 2025; provided that, if the Term Loan B is not refinanced or repaid in full prior to April 15, 2025, then the borrowings under the revolving credit facility will mature on April 15, 2025.

Incremental borrowings under the revolving credit facility and the Term Loan B were used, along with cash on hand, to redeem all \$325 million aggregate outstanding principal amount of the 2024 Notes.

Wells Fargo Note Payable

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

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

Debt Covenants

GCI, LLC is subject to covenants and restrictions under its Senior Notes and Senior Credit Facility. The Company and GCI, LLC are in compliance with all debt maintenance covenants as of September 30, 2020.

Fair Value of Debt

The fair value of the Senior Notes was \$814.7 million at September 30, 2020.

Due to the variable rate nature of the Margin Loan, Senior Credit Facility and Wells Fargo Note Payable, the Company believes that the carrying amount approximates fair value at September 30, 2020.

(8) Preferred Stock

GCI Liberty Series A Cumulative Redeemable Preferred Stock (the "Preferred Stock") was issued as a result of the auto conversion that occurred on March 8, 2018. The Company is required to redeem all outstanding shares of Preferred Stock out of funds legally available, at the liquidation price plus all unpaid dividends (whether or not declared) accrued from the most recent dividend payment date through the redemption date, on the first business day following the twenty-first anniversary of the March 8, 2018 auto conversion. There were 7,500,000 shares of Preferred Stock authorized and 7,199,697 shares issued and outstanding at September 30, 2020. An additional 42,500,000 shares of preferred stock of the Company are authorized and are undesignated as to series. The Preferred Stock is accounted for as a liability in the accompanying condensed consolidated balance sheets because it is mandatorily redeemable. As a result, all dividends paid on the Preferred Stock are recorded as interest expense in the accompanying condensed consolidated statements of operations.

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

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

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

GCI LIBERTY, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Accrued dividends are payable quarterly on each dividend payment date, which is January 15, April 15, July 15, and October 15 of each year, commencing on the first such date following the auto conversion, which occurred immediately after the market closed on March 8, 2018. If GCI Liberty fails to pay cash dividends on the Preferred Stock in full for any four consecutive or non-consecutive dividend periods then the dividend rate shall increase by 2.00% per annum of the liquidation price until cured. On August 31, 2020, the Company announced that it declared a quarterly cash dividend of approximately \$0.44 per share of Preferred Stock which was paid on October 15, 2020 to shareholders of record of the Preferred Stock at the close of business on September 30, 2020.

(9) Stock-Based Compensation

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

Included in selling, general and administrative expenses in the accompanying condensed consolidated statements of operations are \$4.5 million and \$5.8 million of stock-based compensation during the three months ended September 30, 2020 and 2019, respectively, and \$11.4 million and \$18.2 million during the nine months ended September 30, 2020 and 2019, respectively.

During the nine months ended September 30, 2020, and in connection with our CEO's new employment agreement, GCI Liberty granted to our CEO 359 thousand options to purchase shares of GCI Liberty Series A common stock as part of our CEO's upfront term award detailed in his employment agreement. Such options had a GDFV of \$16.60 per share and vest on December 31, 2023. Also during the nine months ended September 30, 2020, GCI Liberty granted to our CEO 148 thousand options to purchase shares of GCI Liberty Series A common stock in conjunction with our CEO's annual awards as detailed in his employment agreement. Such options had a GDFV of \$13.21 per share and vest on December 31, 2020.

Also during the nine months ended September 30, 2020, GCI Liberty granted 3 thousand time-based RSUs of GCI Liberty Series A common stock to our CEO. The RSUs had a GDFV of \$59.80 per share and cliff vest on December 10, 2020. This RSU grant was issued in lieu of our CEO receiving 50% of his remaining base salary for the last three quarters of calendar year 2020, and he has waived his right to receive the other 50%, in each case, in light of the ongoing financial impact of COVID-19.

The Company has calculated the GDFV for all of its equity classified Awards and any subsequent remeasurement of its liability classified Awards using the Black-Scholes-Merton Model. The Company estimates the expected term of the Awards based on historical exercise and forfeiture data. The volatility used in the calculation for Awards is based on the historical volatility of GCI Liberty's stock and the implied volatility of publicly traded GCI Liberty options. The Company uses a zero dividend rate and the risk-free rate for Treasury Bonds with a term similar to that of the subject options.

GCI LIBERTY, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
(Unaudited)

GCI Liberty-Outstanding Awards

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

			Series A	
	Awards (000's)	WAEP	Weighted average remaining life	Aggregate intrinsic value (millions)
Outstanding at January 1, 2020	604	\$ 48.67		
Granted	528	\$ 67.49		
Exercised	(98)	\$ 44.52		
Forfeited/Cancelled	—	\$ —		
Outstanding at September 30, 2020	1,034	\$ 58.67	5.1 years	\$ 24
Exercisable at September 30, 2020	328	\$ 47.09	3.5 years	\$ 11

There were no changes to outstanding options of GCI Liberty Series B common stock during the nine months ended September 30, 2020.

As of September 30, 2020, the total unrecognized compensation cost related to unvested options and RSA/RSUs was approximately \$7.0 million and \$13.0 million, respectively. Such amounts will be recognized in the Company's consolidated statements of operations over a weighted average period of approximately 2.6 years and 1.9 years, respectively.

As of September 30, 2020, GCI Liberty had 427 thousand RSUs outstanding.

As of September 30, 2020, GCI Liberty reserved for issuance upon exercise of outstanding stock options approximately 1.0 million shares of GCI Liberty Series A common stock and 1.2 million shares of GCI Liberty Series B common stock.

(10) Commitments and Contingencies*Litigation, Disputes and Regulatory Matters*

The Company is involved in various lawsuits, billing disputes, legal proceedings, and regulatory matters that have arisen from time to time in the normal course of business. Management believes there are no proceedings from asserted and unasserted claims which if determined adversely would have a material adverse effect on the Company's financial position, results of operations or liquidity, other than those described in the Company's commitments and contingencies discussion in note 16 to the accompanying consolidated financial statements to our Annual Report on our Form 10-K for the year ended December 31, 2019.

(11) Information About the Company's Operating Segments

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

GCI LIBERTY, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
(Unaudited)

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

For the three and nine months ended September 30, 2020, the Company has identified the following subsidiary as a reportable segment:

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

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

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

The Company's operating segments are strategic business units that offer different products and services. They are managed separately because each segment requires different technologies, distribution channels and marketing strategies. The accounting policies of the consolidated subsidiaries included in the segments are the same as those described in the Company's Summary of Significant Accounting Policies in note 2 to the accompanying consolidated financial statements to our Annual Report on Form 10-K for the year ended December 31, 2019.

Performance Measures

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

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2020	2019	2020	2019
	amounts in thousands			
GCI Holdings				
Consumer Revenue				
Wireless	\$ 31,334	29,509	89,598	84,506
Data	47,852	42,920	137,562	125,555
Video	23,927	21,194	65,141	63,255
Voice	3,654	4,051	11,169	12,833
Business Revenue				
Wireless	20,019	20,060	58,873	57,837
Data	89,549	69,960	245,871	201,803
Video	2,277	4,115	10,726	11,928
Voice	6,614	6,747	20,077	19,587
Lease, grant, and subsidies revenue	19,040	22,472	59,391	67,914
Total GCI Holdings	244,266	221,028	698,408	645,218
Corporate and other	2,626	6,016	9,103	17,128
Total	\$ 246,892	227,044	707,511	662,346

GCI LIBERTY, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Liberty Broadband revenue totaled \$4.2 million and \$3.7 million for the three months ended September 30, 2020 and 2019, respectively and \$12.4 million and \$10.9 million for the nine months ended September 30, 2020 and 2019, respectively.

The Company had gross receivables of \$329.6 million and deferred revenue of \$36.5 million at September 30, 2020 from contracts with customers, which amounts exclude receivables and deferred revenue arising from leases, grants, and subsidies. Our customers generally pay for services in advance of the performance obligation and therefore these prepayments are recorded as deferred revenue. The deferred revenue is recognized as revenue in the accompanying condensed consolidated statements of operations as the services are provided. Changes in the contract liability balance for the Company during the three and nine months ended September 30, 2020 were not materially impacted by other factors.

The Company expects to recognize revenue in the future related to performance obligations that are unsatisfied (or partially unsatisfied) of approximately \$80.0 million in the remainder of 2020, \$250.6 million in 2021, \$157.3 million in 2022, \$59.0 million in 2023 and \$72.1 million in 2024 and thereafter.

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

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

Although GCI Liberty owns less than 100% of the outstanding shares of Liberty Broadband, 100% of the Liberty Broadband amounts are included in the tables below and subsequently eliminated in order to reconcile the account totals to the GCI Liberty condensed consolidated financial statements.

Adjusted OIBDA is summarized as follows:

	<u>Three months ended</u>		<u>Nine months ended</u>	
	<u>September 30,</u>		<u>September 30,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	amounts in thousands			
GCI Holdings	\$ 91,617	71,960	256,057	182,552
Liberty Broadband	(14,270)	(4,586)	(26,658)	(11,877)
Corporate and other	(16,336)	(5,382)	(36,497)	(17,199)
	61,011	61,992	192,902	153,476
Eliminate Liberty Broadband	14,270	4,586	26,658	11,877
	<u>\$ 75,281</u>	<u>66,578</u>	<u>219,560</u>	<u>165,353</u>

GCI LIBERTY, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Other Information

	September 30, 2020		
	Total assets	Investments in affiliates	Capital expenditures
amounts in thousands			
GCI Holdings	\$ 3,195,906	528	106,370
Liberty Broadband	12,861,689	12,450,425	42
Corporate and other	10,163,936	156,956	877
	26,221,531	12,607,909	107,289
Eliminate Liberty Broadband	(12,861,689)	(12,450,425)	(42)
Consolidated	<u>\$ 13,359,842</u>	<u>157,484</u>	<u>107,247</u>

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

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2020	2019	2020	2019
amounts in thousands				
Adjusted OIBDA	\$ 75,281	66,578	219,560	165,353
Stock-based compensation	(4,521)	(5,768)	(11,389)	(18,153)
Depreciation and amortization	(60,688)	(66,466)	(184,856)	(200,035)
Insurance proceeds and restructuring, net	—	1,482	—	(236)
Operating income (loss)	<u>10,072</u>	<u>(4,174)</u>	<u>23,315</u>	<u>(53,071)</u>
Interest expense	(29,722)	(38,353)	(100,364)	(116,357)
Share of earnings (loss) of affiliates, net	(9,035)	1,921	(7,504)	(2,443)
Realized and unrealized gains (losses) on financial instruments, net	1,172,685	156,165	1,199,560	1,844,863
Tax Sharing Agreement	26,146	2,362	30,057	18,895
Other, net	(7,314)	(540)	(5,176)	13,824
Earnings (loss) before income taxes	<u>\$ 1,162,832</u>	<u>117,381</u>	<u>1,139,888</u>	<u>1,705,711</u>

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Certain statements in this Quarterly Report on Form 10-Q constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the recoverability of the Company's goodwill and other long-lived assets; the Company's projected sources and uses of cash; the Rural Healthcare Program; the impact of the Alaskan recession; the remediation of a material weakness; regulatory developments; the anticipated impact of COVID-19 (as defined below); the Combination (as defined below); and certain contingent liabilities related to legal and tax proceedings and other matters arising in the ordinary course of business. Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished. The following include some but not all of the factors (as they relate to our consolidated subsidiaries and equity affiliates) that could cause actual results or events to differ materially from those anticipated:

- The impact of the novel coronavirus ("COVID-19") pandemic and local, state and federal governmental responses to the pandemic on the economy, our customers, our vendors and our businesses generally;
- the satisfaction of conditions to the Combination;
- customer demand for the Company's products and services and the Company's ability to adapt to changes in demand;
- competitor responses to the Company's and its businesses' products and services;
- changes in, or failure or inability to comply with, government regulations, including, without limitation, regulations of the Federal Communications Commission (the "FCC"), and adverse outcomes from regulatory proceedings;
- uncertainties inherent in the development and integration of new business lines and business strategies;
- future financial performance, including availability, terms and deployment of capital;
- the ability of suppliers and vendors to deliver products, equipment, software and services;
- cyberattacks or other network disruptions;
- the outcome of any pending or threatened litigation;
- availability of qualified personnel;
- changes in the nature of key strategic relationships with partners, distributors, suppliers and vendors;
- domestic and international economic and business conditions and industry trends, specifically the state of the Alaska economy, including the impacts of the COVID-19 pandemic to unemployment levels;
- consumer spending levels, including the availability and amount of individual consumer debt;
- rapid technological changes;
- failure to protect the security of personal information about the Company's and its businesses' customers; and
- the regulatory and competitive environment of the industries in which the Company operates.

For additional risk factors, please see Part I, Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2019 and Part II, Item 1A. Risk Factors in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2020 and June 30, 2020 and this Quarterly Report on Form 10-Q. Any forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this Quarterly Report, and we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, to reflect any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based.

The following discussion and analysis provides information concerning our results of operations and financial condition. This discussion should be read in conjunction with our accompanying condensed consolidated financial statements and the notes thereto.

Overview

The accompanying condensed consolidated financial statements include the accounts of GCI Liberty, Inc. and its controlled subsidiaries, as well as other equity securities and equity method investments (collectively, “GCI Liberty”, the “Company”, “us”, “we” and “our”). GCI Liberty is made up of its wholly-owned subsidiary, GCI Holdings, LLC (“GCI Holdings”), a controlling interest in Evite, Inc. (“Evite”) until Evite was sold on September 14, 2020 and non-controlling interests in Liberty Broadband Corporation (“Liberty Broadband”), Charter Communications, Inc. (“Charter”), and LendingTree, Inc. These assets (other than GCI Holdings) were contributed by Liberty Interactive Corporation, now known as Qurate Retail, Inc. (“Qurate Retail”), in exchange for, among other things, a controlling interest in GCI Liberty, which was subsequently split-off.

On August 6, 2020, GCI Liberty and Liberty Broadband entered into a definitive merger agreement under which Liberty Broadband agreed to acquire all of the outstanding shares of GCI Liberty in a stock-for-stock merger (the “Combination”). Under the terms of the merger agreement each holder of Series A and B common stock of GCI Liberty will receive 0.58 of a share of Series C common stock and Series B common stock, respectively, of Liberty Broadband. Additionally, holders of a share of Series A Cumulative Redeemable Preferred Stock of GCI Liberty will receive one share of Series A Cumulative Redeemable Preferred Stock with mirror terms to be issued by Liberty Broadband. The Combination was recommended to the Company’s Board of Directors for approval by a special committee composed solely of independent, disinterested directors and advised by independent financial and legal advisors. The closing of the Combination is subject to certain customary conditions, including: (i) the adoption of the merger agreement by holders of a majority of the aggregate voting power of the GCI Liberty outstanding stock entitled to vote thereon not owned by John C. Malone and certain other persons, (ii) the adoption of the merger agreement by holders of a majority of the aggregate voting power of the Liberty Broadband outstanding stock entitled to vote thereon not owned by John C. Malone and certain other persons, (iii) the adoption of the merger agreement by holders of a majority of the aggregate voting power of the GCI Liberty outstanding stock entitled to vote thereon, (iv) approval of the Liberty Broadband stock issuance by holders of a majority of the aggregate voting power of the Liberty Broadband outstanding stock present in person or by proxy at the stockholder meeting and entitled to vote thereon and (v) the receipt of any applicable regulatory approvals. GCI Liberty and Liberty Broadband expect the Combination to close no later than the first quarter of 2021, subject to potential COVID-19 related delays.

Update on Economic Conditions

GCI Holdings offers wireless and wireline telecommunication services, data services, video services, and managed services to customers primarily throughout Alaska. Because of this geographic concentration, growth of GCI Holdings’ business and operations depends upon economic conditions in Alaska. In December 2019, Chinese officials reported a novel coronavirus outbreak. COVID-19 has since spread through China and internationally. On March 11, 2020, the World Health Organization assessed COVID-19 as a global pandemic, causing many countries throughout the world to take aggressive actions, including imposing travel restrictions and stay-at-home orders, closing public attractions and restaurants, and mandating social distancing practices, which has caused a significant disruption to most sectors of the economy.

As the COVID-19 pandemic develops and significantly impacts Alaska, GCI Holdings has continued to deliver services uninterrupted by the pandemic and expects to be able to continue to respond to the increase in network activity. The majority of GCI Holdings’ workforce has transitioned to working at home full time and it expects to keep those employees working from home through early next year.

The State of Alaska has placed restrictions on public utilities, such as GCI Holdings, from charging late fees or disconnecting service from residential customers who are experiencing financial hardship as a result of the COVID-19 crisis. These state-level restrictions will remain in place until November 15, 2020. As a major provider of Internet services in Alaska, GCI Holdings believes it plays an instrumental role in enabling social distancing through telecommuting and e-learning across the state and remains focused on its service to customers, as well as the health and safety of its employees and customers.

GCI Holdings cannot predict the ultimate impact of COVID-19 on its business, including the depth and duration of the economic impact to its customers’ ability to pay for products and services including the impact of extended

unemployment benefits and other stimulus packages and what assistance may be provided to its customers. GCI Holdings expects its accounts receivable and bad debt expense to increase substantially due to the restrictions on GCI Holdings' ability to collect from its customers. In addition, there is uncertainty regarding the impact of government emergency declarations, the ability of suppliers and vendors to provide products and services to GCI Holdings and the risk of limitations on the deployment and maintenance of its services.

The Alaska economy is dependent upon the oil industry, state government spending, United States military spending, investment earnings and tourism. The price of Alaska North Slope Crude oil has remained low and large tourism companies have decided not to operate during 2020 due to the COVID-19 pandemic. Low oil prices continue to put significant pressure on the Alaska state government budget. The Alaska state government has significant reserves that GCI Holdings believes will help fund the state government for the next couple of years, but major structural budgetary reforms will need to be implemented in order to offset the impact of low oil prices. GCI Holdings cannot predict the long-term impact COVID-19 will have on these sectors of the Alaska economy; however, adverse circumstances in these industries can have an adverse impact on the demand for its products and services and on its results of operations and financial condition.

The Alaska economy was in a recession that started in late 2015. At the end of 2019, the Alaska economy showed signs of emerging from this recession, however, the recession has continued as a result of the COVID-19 pandemic and continued low oil prices. While it is difficult for GCI Holdings to predict the future impact of a renewed or continuing recession on its business, these conditions have had an adverse impact on its business and could continue to adversely affect the affordability of and demand for some of its products and services and cause customers to shift to lower priced products and services or to delay or forgo purchases of its products and services. Additionally, GCI Holdings' customers may not be able to obtain adequate access to credit, which could affect their ability to make timely payments to GCI Holdings. If that were to occur, GCI Holdings could be required to increase its allowance for doubtful accounts, and the number of days outstanding for its accounts receivable could increase. If the recession continues, it could continue to negatively affect GCI Holdings' business including its financial position, results of operations, or liquidity, as well as its ability to service debt, pay other obligations and enhance shareholder returns.

Rural Health Care ("RHC") Program

GCI Holdings receives support from various Universal Service Fund ("USF") programs including the RHC Program. The USF programs are subject to change by regulatory actions taken by the FCC, interpretations of or compliance with USF program rules, or legislative actions. Changes to any of the USF programs that GCI Holdings participates in could result in a material decrease in revenue and accounts receivable, which could have an adverse effect on GCI Holdings' business and the Company's financial position, results of operations or liquidity. The following paragraphs describe certain separate matters related to the RHC Program that impact or could impact the revenue earned by the Company. As of September 30, 2020, the Company had net accounts receivable from the RHC Program of approximately \$32 million, which is included within Other assets, net and approximately \$175 million, which is included within Trade and other receivables in the condensed consolidated balance sheets.

The Company disclosed the following items related to GCI Holdings' involvement in the RHC Program in its Annual Report on Form 10-K for the year ended December 31, 2019:

- The FCC reduced the rates charged to RHC customers by approximately 26%.
- The FCC increased the RHC Program funding cap for multiple funding years.
- GCI Holdings received a letter of inquiry and request for information from the Enforcement Bureau of the FCC (the "Enforcement Bureau") in March 2018.
- GCI Holdings received multiple funding denial notices from Universal Service Administrative Company ("USAC") which originally denied the RHC funding requests that had been submitted by a rural health customer.
- The FCC released an order adopting changes to the RHC Program that will revise the manner in which support issued under the RHC Program will be calculated and approved.
- GCI Holdings became aware of potential RHC Program compliance issues related to certain of its currently active and expired contracts with certain of its RHC customers.

The Company has additional significant information regarding the (i) rates charged to RHC customers, (ii) RHC Program funding cap, (iii) multiple funding denial notices that were received, (iv) additional inquiries from the Enforcement Bureau related to the original letter of inquiry received in March 2018, and (v) the FCC order adopting changes to the RHC Program.

On October 20, 2020, the Wireline Competition Bureau of the FCC issued two separate letters approving the cost-based rural rates GCI Holdings applied when recognizing revenue for services provided to its RHC customers for the funding years that ended on June 30, 2019 and June 30, 2020. In consideration of receiving these letters, we anticipate that we will collect approximately \$175 million in accounts receivable related to these two funding years within one year and historical experience would lead us to believe collection will likely occur within three to six months from the date of receipt of the letters.

On October 19, 2020, the FCC issued an order stating that total RHC Program demand for the funding year that will end June 30, 2021 is less than available program funding and, further, waiving the yearly sub-cap for upfront and multi-year payments to ensure that no RHC Program requests are subject to prioritized or pro rata reductions based on the annual caps.

The multiple funding denial notices resulted in a \$21.3 million accounts receivable reserve and an associated bad debt expense during the first quarter of 2019. Because of the uncertainty caused by the funding denial notices and the uncertainty relating to our ability to recover payment directly from the rural healthcare customer, we no longer believed revenue should be recognized such that no revenue was recognized beyond the first quarter of 2019. On February 19, 2020, an FCC order granted the appeal of the rural health customer and reversed the FCC's previous funding denials, resulting in the reversal of the previously recorded \$21.3 million accounts receivable reserve in the fourth quarter of 2019. Because GCI Holdings was unable to conclude at any time prior to December 31, 2019 that collection of consideration for services provided to the rural healthcare customer was probable, we concluded that revenue should not be recognized for any period subsequent to the first quarter of 2019 even though we continued to provide services to the rural healthcare customer.

In light of the FCC order, we evaluated the applicable revenue recognition criteria in the first quarter of 2020 and concluded that we met the applicable revenue recognition criteria and could recognize revenue for the services provided subsequent to the first quarter of 2019. The result of meeting the applicable revenue recognition criteria in the first quarter of 2020 was to record revenue of approximately \$9 million related to the services provided during 2019 for which revenue had not been previously recognized and to begin recording revenue in the first quarter of 2020 for services provided to the rural healthcare customer.

On May 28, 2020, GCI Holdings received a second letter of inquiry from the Enforcement Bureau in the same matter noted above. This second letter, which was in response to a voluntary disclosure made by GCI Holdings to the FCC, extended the scope of the original inquiry to also include various questions regarding compliance with the records retention requirements related to the (i) original inquiry and (ii) RHC Program. While the letter expands the scope of review, it does not alter the Company's assessment of the Enforcement Bureau inquiry.

On August 20, 2019, the FCC released an order adopting changes to the RHC Program that will revise the manner in which support issued under the RHC Program will be calculated and approved. Some of these changes will become effective beginning with the funding year ending June 30, 2021, while others will apply beginning with the funding year ending June 30, 2022. On October 21, 2019, GCI Holdings appealed the order to the United States Court of Appeals for the District of Columbia Circuit. On December 6, 2019, that appeal was held in abeyance for nine months due to pending Petitions for Reconsideration filed by other parties at the FCC, and on September 25, 2020, the period of abeyance was extended through March 8, 2021. At the direction of the FCC, USAC has released a database that purports to determine a median rate which will cap the amount of support available for each service sold under the program, starting in the funding year ending June 30, 2022. On September 30, 2020, USAC released a refreshed version of the database incorporating limited changes submitted by interested parties. GCI Holdings anticipates pursuing a cost-based waiver to support rates charged for numerous services sold under the program. The waiver process is not yet fully developed and it is uncertain what the outcome of GCI Holdings' cost-based waiver request will be. In addition, on July 30, 2020, GCI Holdings filed an administrative appeal of certain parameters prescribed for the USAC database by the FCC's Wireline Competition Bureau, and anticipates filing an additional administrative appeal related to the September 30, 2020 refreshed USAC database. Because the outcome of GCI Holdings' administrative appeals and anticipated waiver request remain undetermined, GCI Holdings cannot assess at this time the impact that these changes adopted by the FCC will have on funding.

Results of Operations - Consolidated

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

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2020	2019	2020	2019
	amounts in thousands			
Revenue				
GCI Holdings	\$ 244,266	221,028	698,408	645,218
Corporate and other	2,626	6,016	9,103	17,128
Consolidated	<u>\$ 246,892</u>	<u>227,044</u>	<u>707,511</u>	<u>662,346</u>
Operating Income (Loss)				
GCI Holdings	\$ 28,048	3,663	66,040	(27,516)
Corporate and other	(17,976)	(7,837)	(42,725)	(25,555)
Consolidated	<u>\$ 10,072</u>	<u>(4,174)</u>	<u>23,315</u>	<u>(53,071)</u>
Adjusted OIBDA				
GCI Holdings	\$ 91,617	71,960	256,057	182,552
Corporate and other	(16,336)	(5,382)	(36,497)	(17,199)
Consolidated	<u>\$ 75,281</u>	<u>66,578</u>	<u>219,560</u>	<u>165,353</u>

Revenue. Our consolidated revenue increased \$19.8 million and \$45.2 million for the three and nine months ended September 30, 2020, respectively, as compared to the corresponding periods in the prior year. The increases in revenue for the three and nine month periods were primarily due to increases of \$23.2 million and \$53.2 million, respectively, at GCI Holdings. See "Results of Operations-GCI Holdings, LLC" below for a more complete discussion of the results of operations of GCI Holdings.

Operating Income (Loss). Our consolidated operating income increased \$14.2 million and \$76.4 million for the three and nine months ended September 30, 2020, respectively, as compared to the corresponding periods in the prior year. The increases in operating income for the three and nine month periods were primarily due to increases of \$24.4 million

and \$93.6 million, respectively, at GCI Holdings. See “Results of Operations-GCI Holdings, LLC” below for a more complete discussion of the results of operations of GCI Holdings.

Operating losses for Corporate and other increased \$10.1 million and \$17.2 million for the three and nine months ended September 30, 2020, respectively, as compared to the corresponding periods in the prior year, due to increased professional service fees at the corporate level related to the Combination, as well as increased operating losses at certain of our subsidiaries.

Stock-based compensation. Stock based compensation includes compensation related to restricted shares of GCI Liberty’s common stock and preferred stock, restricted stock units with respect to GCI Liberty’s common stock, and options to purchase shares of GCI Liberty’s common stock granted to certain of the Company’s directors, employees, and employees of its subsidiaries. The decreases in stock-based compensation of \$1.2 million and \$6.8 million for the three and nine months ended September 30, 2020, respectively, were primarily due to decreases in stock compensation at GCI Holdings of \$0.7 million and \$5.1 million for the three and nine month periods, respectively. As of September 30, 2020, the total unrecognized compensation cost related to unvested options and RSAs was approximately \$7.0 million and \$13.0 million, respectively. Such amounts will be recognized in the Company’s consolidated statements of operations over a weighted average period of approximately 2.6 years and 1.9 years, respectively.

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

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
	amounts in thousands			
Operating income (loss)	\$ 10,072	(4,174)	23,315	(53,071)
Depreciation and amortization	60,688	66,466	184,856	200,035
Stock-based compensation	4,521	5,768	11,389	18,153
Insurance proceeds and restructuring, net	—	(1,482)	—	236
Adjusted OIBDA	<u>\$ 75,281</u>	<u>66,578</u>	<u>219,560</u>	<u>165,353</u>

Consolidated Adjusted OIBDA increased \$8.7 million and \$54.2 million for the three and nine months ended September 30, 2020, respectively, as compared to the corresponding periods in the prior year. The increases for the three and nine month periods were primarily due to increases in revenue and, for the nine months ended September 30, 2020, decreases in selling, general and administrative expenses at GCI Holdings. See “Results of Operations-GCI Holdings, LLC” below for a more complete discussion of the results of operations of GCI Holdings.

Other Income and Expense

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

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
amounts in thousands				
<i>Interest expense</i>				
GCI Holdings	\$ (17,074)	(22,765)	(53,244)	(68,248)
Corporate and other	(12,648)	(15,588)	(47,120)	(48,109)
Consolidated	\$ (29,722)	(38,353)	(100,364)	(116,357)
<i>Share of earnings (losses) of affiliates, net</i>				
GCI Holdings	\$ 53	(28)	(57)	(139)
Corporate and other	(9,088)	1,949	(7,447)	(2,304)
Consolidated	\$ (9,035)	1,921	(7,504)	(2,443)
<i>Realized and unrealized gains (losses) on financial instruments, net</i>				
GCI Holdings	\$ —	—	—	1,669
Corporate and other	1,172,685	156,165	1,199,560	1,843,194
Consolidated	\$ 1,172,685	156,165	1,199,560	1,844,863
<i>Tax sharing agreement</i>				
GCI Holdings	\$ —	—	—	—
Corporate and other	26,146	2,362	30,057	18,895
Consolidated	\$ 26,146	2,362	30,057	18,895
<i>Other, net</i>				
GCI Holdings	\$ 16,089	319	17,532	13,081
Corporate and other	(23,403)	(859)	(22,708)	743
Consolidated	\$ (7,314)	(540)	(5,176)	13,824

Interest Expense. Consolidated interest expense decreased \$8.6 million and \$16.0 million for the three and nine months ended September 30, 2020, respectively, as compared to the corresponding periods in the prior year. The decreases were primarily due to lower amounts outstanding on the Senior Credit Facility (as defined in note 7 of the accompanying condensed consolidated financial statements), as well as lower interest rates. This decrease was partially offset by increased amounts outstanding under the Margin Loan Facility (as defined in note 7 of the accompanying condensed consolidated financial statements).

Share of earnings (losses) of affiliates, net. Share of earnings (losses) of affiliates, net decreased \$11.0 million and \$5.1 million for the three and nine months ended September 30, 2020, respectively, as compared to the corresponding periods in the prior year due to an increase in losses by our affiliates.

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

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
	amounts in thousands			
Equity securities	\$ 612,465	90,770	746,406	683,808
Investment in Liberty Broadband	807,114	19,207	730,713	1,393,135
Derivative instruments	(2,019)	60,640	7,849	(57,721)
Indemnification obligation	(94,871)	(3,485)	(107,456)	(58,311)
Exchangeable senior debentures	(150,004)	(10,967)	(177,952)	(116,048)
	<u>\$ 1,172,685</u>	<u>156,165</u>	<u>1,199,560</u>	<u>1,844,863</u>

The changes in these accounts are primarily due to market factors and changes in the fair value of the underlying stocks or financial instruments to which these related. The increase for the three months ended September 30, 2020 as compared to the corresponding period in the prior year was primarily driven by increases in the unrealized gains for our investment in Liberty Broadband and Charter. The decrease for the nine months ended September 30, 2020 as compared to the corresponding period in the prior year was primarily driven by a decrease in the unrealized gain for our investment in Liberty Broadband.

Tax sharing agreement. The change in the tax sharing receivable due from Qurate Retail resulted in gains of \$26.1 million and \$2.4 million for the three months ended September 30, 2020 and 2019, respectively, and gains of \$30.1 million and \$18.9 million for the nine months ended September 30, 2020 and 2019, respectively. The change in the tax sharing receivable for all periods was primarily the result of the tax effect of the movement in the fair value of Qurate Retail's 1.75% exchangeable senior debentures due 2046.

Other, net. The change in Other, net at GCI Holdings for the three months ended September 30, 2020 was primarily due to a gain on sale of certain assets of \$15.4 million. The change in Other, net for GCI Holdings for the nine months ended September 30, 2020 was primarily due to a gain on sale of certain assets of \$15.4 million, compared to \$10.7 million of gain related to a finance lease amendment and a premium write-off in the second quarter of 2019. The change in Other, net at Corporate and other for the three and nine months ended September 30, 2020 was primarily due to the loss on the sale of Evite of \$23.0 million.

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

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
	amounts in thousands			
Earnings (loss) before income taxes	\$ 1,162,832	117,381	1,139,888	1,705,711
Income tax (expense) benefit	(338,446)	(28,087)	(336,776)	(478,887)
Effective income tax rate	29%	24%	30%	28%

For the three and nine months ended September 30, 2020 and 2019, the Company recognized income tax expense in excess of expected federal tax expense, primarily due to state income tax expense.

Net earnings (loss). The Company had net earnings of \$824.4 million and \$89.3 million for the three months ended September 30, 2020 and 2019, respectively. The Company had net earnings of \$803.1 million and \$1,226.8 million for the nine months ended September 30, 2020 and 2019, respectively. The change in net earnings (loss) was the result of the above-described fluctuations in our revenue, expenses, and other income and expenses.

Liquidity and Capital Resources

As of September 30, 2020, substantially all of the Company's cash and cash equivalents were invested in U.S. Treasury securities, securities of other government agencies, AAA rated money market funds and other highly rated financial and corporate debt instruments.

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

As of September 30, 2020, the Company had a cash and cash equivalents balance of \$552.6 million.

	Nine months ended	
	September 30,	
	2020	2019
amounts in thousands		
Cash flow information		
Net cash provided (used) by operating activities	\$ 67,899	82,114
Net cash provided (used) by investing activities	(81,613)	(102,293)
Net cash provided (used) by financing activities	(9,656)	(60,987)
	<u>\$ (23,370)</u>	<u>(81,166)</u>

During the nine months ended September 30, 2020, the Company's primary use of cash was capital expenditures. During the nine months ended September 30, 2019, the Company's primary uses of cash included repurchases of GCI Liberty Series A common stock and capital expenditures. The Company's significant recurring investing activity has been capital expenditures and is expected to continue in the future. A significant portion of our capital expenditures are based on the level of customer growth and updated technology. The Company's primary sources of cash included cash from operations and cash on hand.

Proceeds from borrowings fluctuate from year to year based on our liquidity needs. We may use excess cash to make optional repayments on our debt or repurchase our common stock depending on various factors, such as market conditions.

The projected uses of the Company's cash for the remainder of 2020 are capital expenditures of approximately \$35 million, approximately \$40 million for interest payments on outstanding debt, approximately \$5 million for preferred stock dividends and potential additional investments in existing or new businesses.

Results of Operations - GCI Holdings, LLC

GCI Holdings provides a full range of wireless, data, video, voice, and managed services to residential, businesses, governmental entities, and educational and medical institutions primarily in Alaska. The following table highlights selected key performance indicators used in evaluating GCI Holdings as of September 30, 2020 and 2019.

	September 30,	
	2020	2019
Consumer		
Wireless:		
Revenue generating wireless lines in service ¹	179,600	180,100
Non-revenue generating wireless lines in service ²	2,700	8,300
Wireless lines in service	182,300	188,400
Data:		
Revenue generating cable modem subscribers ³	138,200	124,600
Non-revenue generating cable modem subscribers ⁴	—	—
Cable modem subscribers	138,200	124,600
Video:		
Basic subscribers ⁵	76,000	82,200
Homes passed ⁶	253,400	253,400
Voice:		
Total local access lines in service ⁷	37,300	40,800
Business		
Wireless:		
Revenue generating wireless lines in service ¹	25,200	21,100
Data:		
Revenue generating cable modem subscribers ³	12,800	9,000
Voice:		
Total local access lines in service ⁷	33,400	34,800

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

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

³ A revenue generating cable modem subscriber is defined by the purchase of cable modem service regardless of the level of service purchased. If one entity purchases multiple cable modem service access points, each access point is counted as a subscriber.

⁴ A non-revenue generating cable modem subscriber is defined by the provision of basic cable modem service as a promotion to aid those impacted by COVID-19.

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

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

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

GCI Holdings' operating results for the three and nine months ended September 30, 2020 and 2019 are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
	amounts in thousands			
Revenue	\$ 244,266	221,028	698,408	645,218
Operating expenses (excluding stock-based compensation included below):				
Operating expense	(67,053)	(67,722)	(198,873)	(195,666)
Selling, general and administrative expenses	(85,596)	(81,346)	(243,478)	(267,000)
Adjusted OIBDA	91,617	71,960	256,057	182,552
Stock-based compensation	(3,285)	(4,017)	(6,829)	(11,940)
Insurance proceeds and restructuring, net	—	1,482	—	(236)
Depreciation and amortization	(60,284)	(65,762)	(183,188)	(197,892)
Operating income (loss)	<u>\$ 28,048</u>	<u>3,663</u>	<u>66,040</u>	<u>(27,516)</u>

Revenue

The components of revenue for the three and nine months ended September 30, 2020 and 2019, are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
	amounts in thousands			
Consumer				
Wireless	\$ 43,749	41,929	126,849	121,751
Data	47,852	42,920	137,562	125,555
Video	23,931	21,198	65,154	63,268
Voice	3,795	4,275	11,643	13,306
Business				
Wireless	21,440	24,393	64,964	70,876
Data	90,377	70,813	248,347	204,476
Video	2,277	4,115	10,726	11,928
Voice	10,845	11,385	33,163	34,058
Total	<u>\$ 244,266</u>	<u>221,028</u>	<u>698,408</u>	<u>645,218</u>

Consumer wireless revenue increased \$1.8 million and \$5.1 million for the three and nine months ended September 30, 2020, respectively, as compared to the corresponding periods in the prior year. The increases for the three and nine month periods were primarily due to increased plan service fee revenue of \$1.3 million and \$4.3 million, respectively, driven by subscribers' selection of plans with higher recurring monthly charges that offer higher usage limits. Additionally, equipment sales revenue increased \$0.4 million and \$0.8 million due to an increase in the number of handsets sold for the three and nine month periods, respectively.

Consumer data revenue increased \$4.9 million and \$12.0 million for the three and nine months ended September 30, 2020, respectively, as compared to the corresponding periods in the prior year. The increases were driven by an increase in the number of subscribers and the subscribers' selection of plans with higher recurring monthly charges that offer higher speeds and higher usage limits.

Consumer video revenue increased \$2.7 million and \$1.9 million for the three and nine months ended September 30, 2020, respectively, as compared to the corresponding periods in the prior year. The increases were due to a \$4.1 million increase in advertising revenue driven by a reorganization effective August 1, 2020. The Company transitioned its advertising sales to Consumer video following the sale of the Company's broadcast television station. The increase was partially offset by a decrease in plan fee revenue driven by a decrease in the number of subscribers.

Consumer voice revenue decreased \$0.5 million and \$1.7 million for the three and nine months ended September 30, 2020, respectively, as compared to the corresponding periods in the prior year. The decreases were primarily due to a reduction in the number of customers.

Business wireless revenue decreased \$3.0 million and \$5.9 million for the three and nine months ended September 30, 2020, respectively, as compared to the corresponding periods in the prior year. The decreases were primarily due to wholesale customers removing backhaul circuits from our network and a decrease in grant revenue partially offset by increases in roaming revenue driven by the renegotiation of a roaming contract.

Business data revenue increased \$19.6 million and \$43.9 million for the three and nine months ended September 30, 2020, respectively, as compared to the corresponding periods in the prior year. The increases were due to \$21.6 million and \$53.4 million increases in data and transport revenue driven by increased sales to school and medical customers for service upgrades for the three and nine month periods, respectively. The increase for the nine month period also included \$9 million associated with prior periods for an RHC customer whose funding was initially denied but subsequently approved in the first quarter of 2020. The increases were partially offset by \$2.0 million and \$9.6 million decreases in professional services revenue driven by a reduction in time and materials project work for the three and nine month periods, respectively.

Business video revenue decreased \$1.8 million and \$1.2 million for the three and nine months ended September 30, 2020, respectively, as compared to the corresponding periods in the prior year. The decreases were primarily due to the sale of the Company's broadcast television station.

Business voice revenue decreased \$0.5 million and \$0.9 million for the three and nine months ended September 30, 2020 as compared to the corresponding periods in the prior year. The decreases were driven by a decrease in local service lines partially offset by an increase in long distance and conferencing services.

Operating expenses decreased \$0.7 million and increased \$3.2 million for the three and nine months ended September 30, 2020, respectively, as compared to the corresponding periods in the prior year. The decrease for the three month period is primarily due to a \$2.0 million decrease in professional services costs driven by a reduction in time and materials project work and a \$0.9 million decrease in video costs paid to content producers driven by a decrease in video subscribers. The decrease for the three month period is partially offset by a \$1.7 million increase in wireless handset costs and \$0.5 million in costs to operate our network. The increase for the nine month period is primarily due to a \$11.9 million increase in costs to operate our network driven by a transition from accounting for satellite transponders as operating leases instead of finance leases due to a modification in the prior year and a \$2.5 million increase in wireless handset costs. The increase for the nine month period is partially offset by decreases of \$6.8 million in professional services costs driven by a reduction in time and materials project work and \$3.1 million in video costs paid to content producers driven by a decrease in video subscribers.

Selling, general and administrative expenses increased \$4.3 million and decreased \$23.5 million for the three and nine months ended September 30, 2020, respectively, as compared to the corresponding periods in the prior year. The increase for the three month period was primarily due to a \$5.1 million increase in labor related expense driven by an increase in employee incentive compensation and a \$1.8 million increase in legal and compliance costs. The increase for the three month period is partially offset by a \$1.8 million decrease in bad debt expense and the Company's cost cutting efforts. The decrease for the nine month period was primarily due to the absence of \$21.3 million in the allowance for receivables as a result of USAC denying an appeal from one of our customers that was recorded during first quarter of 2019, a \$2.7 million decrease in labor related expense driven by reduced healthcare costs due to reduced healthcare interactions as employees limit doctor appointments, hospital visits and elective procedures due to COVID-19 and the Company's cost cutting efforts. The decrease for the nine month period was partially offset by a \$4.4 million increase in legal and compliance costs.

Stock based compensation decreased \$0.7 million and \$5.1 million for the three and nine months ended September 30, 2020, respectively, as compared to the corresponding periods in the prior year. The decrease for the three month period was primarily due to the reversal of expense for employees who left the company prior to the vesting of their awards and a reduction in the number of outstanding awards. The decrease for the nine month period was primarily due to

the reversal of expense for performance-based awards that did not vest due to a shortfall in certain financial metrics and qualitative criteria and for employees who left the company prior to the vesting of their awards.

Depreciation and amortization decreased \$5.5 million and \$14.7 million for the three and nine months ended September 30, 2020, respectively, as compared to the corresponding periods in the prior year. The decrease for the three and nine months ended September 30, 2020 was primarily due to assets which became fully depreciated prior to the three and nine month periods in 2020, a decrease in assets placed in service since January 1, 2019, and lower amortization expense because of an accelerated recognition pattern for amortizing intangibles.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

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

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

As of September 30, 2020, the Company's debt is comprised of the following amounts:

	Variable rate debt		Fixed rate debt	
	Principal amount	Weighted average interest rate	Principal amount	Weighted average interest rate
	dollar amounts in thousands			
GCI Holdings	\$ 517,430	2.1 %	\$ 775,000	6.8 %
Corporate and other	\$ 1,300,000	2.1 %	\$ 477,250	1.8 %

GCI Liberty's borrowings under the Margin Loan Agreement (as defined in note 7 of the accompanying condensed consolidated financial statements) and the Senior Credit Facility carry a variable interest rate based on LIBOR as a benchmark for establishing the rate of interest. LIBOR is the subject of national, international and other regulatory guidance and proposals for reform. On July 27, 2017, the United Kingdom's Financial Conduct Authority, which regulates LIBOR, announced that it intends to phase out LIBOR by the end of 2021. It is unclear if at that time LIBOR will cease to exist or if new methods of calculating LIBOR will be established such that it continues to exist after 2021. The consequences of these developments cannot be entirely predicted, but could include an increase in the cost of borrowings under the aforementioned debt instruments. In preparation for the expected phase out of LIBOR, and to the extent alternate reference rates were not included in existing debt agreements, GCI Liberty has incorporated alternative reference rates when amending these facilities.

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

At September 30, 2020, the fair value of the Company's equity securities was \$3.3 billion. Had the market price of such securities been 10% lower at September 30, 2020, the aggregate value of such securities would have been \$335 million lower. At September 30, 2020, the fair value of our investment in Liberty Broadband was \$6.1 billion. Had the market price of such security been 10% lower at September 30, 2020, the fair value of such security would have been \$610 million lower.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

In accordance with Rules 13a-15 and 15d-15 under the Securities Exchange Act of 1934, as amended, the Company carried out an evaluation, under the supervision and with the participation of management, including its chief executive officer and its principal accounting and financial officer (the "Executives"), of the effectiveness of its disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, the Executives concluded that the Company's disclosure controls and procedures were not effective as of September 30, 2020 because of the material weakness in our internal control over financial reporting as discussed in more detail in our Annual Report on Form 10-K for the year ended December 31, 2019 (the "2019 Form 10-K"). Management has continued to monitor the implementation of the remediation plan described in the 2019 Form 10-K, as described below.

Changes in Internal Control Over Financial Reporting

During the third quarter of 2020, we continued to review the design of our controls, made adjustments and continued implementing controls to alleviate the noted control deficiencies. Other than these items, there has been no change in the Company's internal control over financial reporting that occurred during the three months ended September 30, 2020 that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting. We have not experienced any material impact to our internal controls over financial reporting despite the fact that most of our employees are working remotely due to the COVID-19 pandemic.

Remediation Plan for Material Weakness in Internal Control Over Financial Reporting

In response to the material weakness identified in Management's Report on Internal Control Over Financial Reporting as set forth in Part II, Item 9A in the 2019 Form 10-K, the Company, with oversight from the Audit Committee of the Board of Directors, developed a plan to remediate the material weakness at GCI Holdings. The remediation actions included the following:

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

The Company believes the foregoing efforts will effectively remediate the material weakness described in "Management's Report on Internal Control Over Financial Reporting" in the 2019 Form 10-K. Because the reliability of the internal control process requires repeatable execution, the successful on-going remediation of the material weakness will require on-going review and evidence of effectiveness prior to concluding that the controls are effective. The Company's remediation efforts are underway; however, there is no assurance that the remediation efforts will be effective in the future or that additional material weaknesses will not develop or be identified.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Our Annual Report on Form 10-K for the year ended December 31, 2019 includes “Legal Proceedings” under Item 3 of Part I. There have been no material changes from the legal proceedings described in the Form 10-K, except as described below.

On October 9, 2020, a putative class action complaint was filed by two purported GCI Liberty stockholders in the Court of Chancery of the State of Delaware under the caption *Hollywood Firefighters' Pension Fund, et al. v. GCI Liberty, Inc., et al.* On October 11, 2020, a new version of the complaint was filed, and the case has been assigned Case No. 2020-0880. The lawsuit names as defendants GCI Liberty, as well as the members of the GCI Liberty board of directors. The lawsuit alleges, among other things, that Messrs. Maffei and Malone in their purported capacities as controlling stockholders and directors of GCI Liberty, and the other directors of GCI Liberty, breached their fiduciary duties by approving the Combination. The lawsuit also alleges that various prior and current relationships between the members of the GCI Liberty special committee and Mr. Malone and Mr. Maffei render the members of the GCI Liberty special committee not independent. The lawsuit further alleges that the Combination violates Section 203 of the General Corporation Law of the State of Delaware (“DGCL”) and that the joint proxy statement/prospectus that was filed in connection with the Combination misstates and omits material information. The lawsuit seeks certification of a class action, declarations that Messrs. Maffei and Malone and the other directors of GCI Liberty breached their fiduciary duties and that the Combination violates Section 203 of the DGCL, an injunction barring the stockholder vote and the Combination, and the recovery of damages and other relief. On October 15, 2020, the plaintiffs filed a motion for expedited proceedings. On October 27, 2020, after a hearing, the Court granted the motion.

GCI Liberty believes this lawsuit is without merit. However, the outcome of this lawsuit or any other lawsuit that may be filed challenging the Combination or the other transactions contemplated by the transaction documents is uncertain.

On October 23, 2020, a lawsuit was filed by a purported GCI Liberty stockholder in the United States District Court for the District of Delaware under the caption *Lewis Baker v. GCI Liberty, Inc., et al.*, Case No. 1:20-cv-01425-UNA. The lawsuit named as defendants GCI Liberty, the members of the GCI Liberty board of directors, Liberty Broadband and certain subsidiaries of Liberty Broadband. The lawsuit asserted claims under Section 14(a) of the Exchange Act and Rule 14a-9 under the Exchange Act, as well as Section 20(a) of the Exchange Act. The lawsuit alleged that the defendants caused a registration statement that omitted material information to be filed in connection with the combination, which allegedly rendered the registration statement false and misleading. The lawsuit further alleged that the members of the GCI Liberty board of directors and Liberty Broadband acted as controlling persons of GCI Liberty and had knowledge of the allegedly false and misleading statements contained in the registration statement. The lawsuit sought an injunction barring the combination, rescission of the combination in the event it had been consummated, an order directing the GCI Liberty board of directors to disseminate a registration statement that did not contain any allegedly untrue statements or omit material facts, a declaration that defendants violated the Exchange Act, costs and attorneys’ fees, and other relief.

GCI Liberty believes this lawsuit was without merit. On October 29, 2020, the plaintiff voluntarily dismissed the lawsuit with prejudice.

Item 1A. Risk Factors

Except as discussed below, there have been no material changes in the Company's risk factors from those disclosed in Part I, Item 1A. Risk Factors of its Annual Report on Form 10-K for the year ended December 31, 2019 and Part II, Item 1A. Risk Factors of its Quarterly Reports on Form 10-Q for the quarters ended March 31, 2020 and June 30, 2020.

GCI Liberty will incur direct and indirect costs as a result of the Combination.

GCI Liberty will incur substantial expenses in connection with and as a result of completing the Combination, including advisory, legal and other transaction costs, and, following the completion of the Combination, Liberty Broadband expects to incur additional expenses in connection with combining the companies. A majority of these costs have already been incurred or will be incurred regardless of whether the Combination is completed. Factors beyond GCI Liberty's control could affect the total amount or timing of these expenses, many of which, by their nature, are difficult to estimate accurately. Management of GCI Liberty continues to assess the magnitude of these costs, and additional unanticipated costs may be incurred in connection with the Combination. Although GCI Liberty expects that the realization of benefits related to the Combination will offset such costs and expenses over time, no assurances can be made that this net benefit will be achieved in the near term, or at all.

The Combination is subject to conditions, some or all of which may not be satisfied, or completed on a timely basis, if at all. Failure to complete the Combination could have material adverse effects on GCI Liberty.

The completion of the Combination is subject to a number of conditions, including, among other things, receipt of the required Liberty Broadband and GCI Liberty stockholder approvals, including approval of the merger agreement by the affirmative vote of holders of a majority of the aggregate voting power of outstanding shares of each company that are not owned by John C. Malone and certain other persons for each company. While the parties have agreed in the merger agreement to use reasonable best efforts to satisfy the closing conditions, the parties may not be successful in their efforts to do so. The failure to satisfy all of the required conditions could delay the completion of the Combination for a significant period of time or prevent it from occurring at all. Any delay in completing the Combination could cause GCI Liberty not to realize some or all of the benefits, or realize them on a different timeline than expected, that GCI Liberty expects to achieve if the Combination is successfully completed within the expected timeframe. There can be no assurance that the conditions to the closing of the Combination will be satisfied or (to the extent permitted) waived or that the Combination will be completed. Also, subject to limited exceptions, either Liberty Broadband or GCI Liberty may terminate the merger agreement if the Combination has not been completed by August 6, 2021, subject to possible extension as set forth in the merger agreement.

If the Combination is not completed, GCI Liberty may be materially adversely affected and, without realizing any of the benefits of having completed the Combination, and GCI Liberty will be subject to a number of risks, including the following:

- the market price of GCI Liberty capital stock could decline;
- GCI Liberty could owe a substantial termination fee to Liberty Broadband under certain circumstances;
- if the merger agreement is terminated and GCI Liberty seeks another business combination, GCI Liberty may not find a party willing to enter into a transaction on terms equivalent to or more attractive than the terms agreed to in the merger agreement;
- time and resources, financial and other, committed by GCI Liberty's and its subsidiaries' management to matters relating to the Combination could otherwise have been devoted to pursuing other beneficial opportunities;
- GCI Liberty and its subsidiaries may experience negative reactions from the financial markets or from its customers, suppliers or employees;
- GCI Liberty will be required to pay its costs relating to the Combination, such as legal, accounting, financial advisory and printing fees, whether or not the Combination is completed; and
- reputational harm due to the adverse perception of any failure to successfully complete the Combination.

In addition, if the Combination is not completed, GCI Liberty could be subject to litigation related to any failure to complete the Combination or related to any enforcement proceeding commenced against it to perform its obligations under the merger agreement. Any of these risks could materially and adversely impact GCI Liberty's financial condition, financial results and stock price.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Share Repurchase Programs

On March 9, 2018, the board of directors authorized a share repurchase program for \$650 million of GCI Liberty Class A and Class B common stock. On June 25, 2018, the board of directors of GCI Liberty reapproved such repurchase program with respect to GCI Liberty's Series A and Series B common stock. There were no repurchases of GCI Liberty capital stock under the authorized share repurchase program during the three months ended September 30, 2020. As of September 30, 2020, \$494.4 million of GCI Liberty's Series A and Series B common stock may be purchased under the repurchase program.

No shares of GCI Liberty Series A and Series B common stock and no shares of GCI Liberty Preferred Stock were surrendered by our officers and employees to pay withholding taxes and other deductions in connection with the vesting of their restricted stock and restricted stock units during the three months ended September 30, 2020.

Item 6. Exhibits

Listed below are the exhibits that are filed as a part of this Report (according to the number assigned to them in Item 601 of Regulation S-K):

<u>Exhibit No.</u>	<u>Description</u>
2.1	Agreement and Plan of Merger, dated as of August 6, 2020, by and among GCI Liberty, Inc., Liberty Broadband Corporation, Grizzly Merger Sub 1, LLC, and Grizzly Merger Sub 2, Inc. (incorporated by reference to Exhibit 2.1 to GCI Liberty, Inc.'s Current Report on Form 8-K (File No. 001-38385), filed on August 7, 2020 (the "August 2020 8-K")) .
4.1	Form of Amendment No. 3 to Margin Loan Agreement, dated as of August 12, 2020.*
10.1	Amended and Restated Letter Agreement Regarding Personal Use of Company Aircraft, effective as of January 1, 2019, between GCI Communication Corp. and Ronald A. Duncan.*
10.2	Executive Employment Agreement, effective as of July 1, 2020, between GCI Communication Corp. and Ronald A. Duncan.*
10.3	Voting Agreement, dated as of August 6, 2020, by and among Liberty Broadband Corporation, GCI Liberty, Inc. and the Stockholders named therein (incorporated by reference to Exhibit 10.1 to the August 2020 8-K).
10.4	Voting Agreement, dated as of August 6, 2020, by and among Liberty Broadband Corporation, GCI Liberty, Inc. and the Stockholders named therein (incorporated by reference to Exhibit 10.2 to the August 2020 8-K).
10.5	Assumption and Joinder Agreement to Tax Agreement, made and entered into as of August 6, 2020, by and among Liberty Broadband Corporation, GCI Liberty, Inc. and Qurate Retail, Inc. (incorporated by reference to Annex H to Liberty Broadband Corporation's Registration Statement on Form S-4 (File No. 333-248854), filed on September 17, 2020 (the "September 2020 Form S-4")) .
10.6	Tax Sharing Agreement, dated as of March 9, 2018, by and between GCI Liberty, Inc. and Qurate Retail, Inc. (incorporated by reference to Exhibit 10.1 to GCI Liberty, Inc.'s Current Report on Form 8-K filed on March 14, 2018 (File No. 001-38385) (the "March 2018 8-K")) .
10.7	Assumption and Joinder Agreement to Indemnification Agreement, made and entered into as of August 6, 2020, by and among Liberty Broadband Corporation, GCI Liberty, Inc., LV Bridge, LLC, Qurate Retail, Inc. and Liberty Interactive LLC (incorporated by reference to Annex I to the September 2020 Form S-4).
10.8	Indemnification Agreement, dated as of March 9, 2018, by and among Qurate Retail, Inc., GCI Liberty, Inc., Liberty Interactive LLC and LV Bridge, LLC (incorporated by reference to Exhibit 10.2 to the March 2018 8-K).
10.9	Assignment and Assumption Agreement, dated as of August 6, 2020, by and among Liberty Broadband Corporation, GCI Liberty, Inc., Qurate Retail, Inc., Liberty Interactive LLC and Grizzly Merger Sub 1, LLC (incorporated by reference to Annex J to the September 2020 Form S-4).
10.10	Agreement and Plan of Reorganization, dated as of April 4, 2017, by and among Liberty Interactive Corporation, Liberty Interactive LLC and General Communication, Inc. (incorporated by reference to Exhibit 2.1 to GCI Liberty, Inc.'s Current Report on Form 8-K/A filed on May 1, 2017 (File No. 000-15279)).
10.11	Amendment No. 1 to Reorganization Agreement, dated as of July 19, 2017, by and among Liberty Interactive Corporation, Liberty Interactive LLC, and General Communication, Inc. (incorporated by reference to Exhibit 10.4 to GCI Liberty, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2017 filed on November 2, 2017 (File No. 000-15279)).
10.12	Amendment No. 2 to Reorganization Agreement, dated as of November 8, 2017, by and among Liberty Interactive Corporation, Liberty Interactive LLC and General Communication, Inc. (incorporated by reference to Exhibit 10.1 to GCI Liberty, Inc.'s Current Report on Form 8-K filed on November 9, 2017 (File No. 000-15279)).
10.13	Termination Agreement, dated as of August 6, 2020, by and among Liberty Broadband Corporation, GCI Liberty, Inc. and LV Bridge, LLC (incorporated by reference to Annex G to the September 2020 Form S-4).
31.1	Rule 13a-14(a)/15d-14(a) Certification*

[Table of Contents](#)

31.2	Rule 13a-14(a)/15d-14(a) Certification*
32	Section 1350 Certification**
101.INS	Inline XBRL Instance Document* - The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document*
101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document*
101.LAB	Inline XBRL Taxonomy Label Linkbase Document*
101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document*
101.DEF	Inline XBRL Taxonomy Definition Document*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).*

-
- * Filed herewith.
 - ** Furnished herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GCI LIBERTY, INC.

Date: November 5, 2020

By: /s/ GREGORY B. MAFFEI

Gregory B. Maffei
Chief Executive Officer and President

Date: November 5, 2020

By: /s/ BRIAN J. WENDLING

Brian J. Wendling
Chief Accounting Officer and Principal Financial Officer

FORM OF AMENDMENT NO. 3 TO MARGIN LOAN AGREEMENT

This **AMENDMENT NO. 3 TO MARGIN LOAN AGREEMENT** (this “**Agreement**”), dated as of August 12, 2020, is entered into by and among **BROADBAND HOLDCO, LLC**, a Delaware limited liability company (“**Borrower**”), the **LENDERS** (as defined below) party to the Loan Agreement on the date hereof, **JPMORGAN CHASE BANK, N.A., LONDON BRANCH**, as administrative agent (in such capacity, together with its successors and assigns in such capacity, “**Administrative Agent**”), and **JPMORGAN CHASE BANK, N.A., LONDON BRANCH**, as calculation agent (in such capacity, together with its successors and assigns in such capacity, “**Calculation Agent**”).

RECITALS

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

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

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

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

SECTION 2. Amendments to Loan Agreement.

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

(a) Section 1.01 of the Loan Agreement shall be modified by adding the following defined terms in the appropriate alphabetical order:

“Amendment No. 3 Effective Date” means August 12, 2020.

“Benchmark” means, initially, LIBOR; provided that if a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred with respect to LIBOR or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has become effective pursuant to Section 2.06(c).

“Benchmark Replacement” shall mean the sum of: (a) the alternate benchmark rate (which may be a SOFR-Based Rate) that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant Governmental Body and/or (ii) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to the then-current Benchmark for U.S. dollar-denominated syndicated credit facilities and (b) the

Benchmark Replacement Adjustment; provided that any such Benchmark Replacement shall be administratively feasible as determined by the Administrative Agent in its reasonable discretion (in consultation with the Borrower); provided, further, that, in each case, if the Benchmark Replacement as so determined would be less than 0.0%, the Benchmark Replacement will be deemed to be 0.0% for the purposes of this Agreement.

“Benchmark Replacement Adjustment” shall mean, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for each applicable Interest Period, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body and/or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated credit facilities at such time.

“Benchmark Replacement Conforming Changes” shall mean, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Base Rate,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest and other administrative matters) that the Administrative Agent decides in its reasonable discretion (in consultation with the Borrower) may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides (in consultation with the Borrower) is reasonably necessary in connection with the administration of this Agreement).

“Benchmark Replacement Date” shall mean the earlier to occur of the following events with respect to the then-current Benchmark:

- (1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the then-current Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide the Benchmark (or such component);
- (2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein; or
- (3) in the case of an Early Opt-in Election, the date specified by the Administrative Agent or the Required Lenders, as applicable, by notice to the Borrower, the Administrative Agent (in the case of such notice by the Required Lenders) and the Lenders.

“Benchmark Transition Event” shall mean the occurrence of one or more of the following events with respect to the then-current Benchmark:

- (1) a public statement or publication of information by or on behalf of the administrator of the then-current Benchmark (or the published component used in the calculation thereof), announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time
-

of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of the then-current Benchmark (or the published component used in the calculation thereof), the U.S. Federal Reserve System, an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark (or such component), in each case which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide LIBOR permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); and/or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of the then-current Benchmark (or the published component used in the calculation thereof) announcing that the Benchmark (or such component) is no longer representative.

“Benchmark Transition Start Date” shall mean (a) in the case of a Benchmark Transition Event, the earlier of (i) the applicable Benchmark Replacement Date and (ii) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication) and (b) in the case of an Early Opt-in Election, the date specified by the Administrative Agent or the Required Lenders, as applicable, by notice to the Borrower, the Administrative Agent (in the case of such notice by the Required Lenders) and the Lenders.

“Benchmark Unavailability Period” shall mean, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark and solely to the extent that the Benchmark has not been replaced with a Benchmark Replacement, the period (x) beginning at the time that such Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the Benchmark for all purposes hereunder in accordance with Section 2.06(c) and (y) ending at the time that a Benchmark Replacement has replaced the Benchmark for all purposes hereunder pursuant to Section 2.06(c).

“C6 Borrower” shall mean LBC Cheetah 6, LLC, a Delaware limited liability company.

“C6 Incremental Facility” means the Additional Loans (under and as defined in the C6 Margin Loan Agreement) in an aggregate principal amount of up to \$1,300,000,000 to be incurred by the C6 Borrower in accordance with the Incremental Agreement.

“C6 Margin Loan Agreement” means that certain Margin Loan Agreement, dated as of August 31, 2017, by and among the C6 Borrower, as borrower, the various lenders party thereto, Wilmington Trust, National Association, as administrative agent, and BNP Paribas, as calculation agent, as the same may be amended, restated, amended and restated, supplemented or otherwise modified from time to time.

“Compounded SOFR” shall mean the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate (which may include compounding in arrears with a lookback and/or suspension period as a mechanism to determine the interest amount payable prior to the end of each Interest Period) being established by the Administrative Agent in accordance with:

(1) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; or

(2) if, and to the extent that, the Administrative Agent determines that Compounded SOFR cannot be determined in accordance with clause (1) above, then the rate, or methodology for this rate, and conventions for this rate that the Administrative Agent determines in its reasonable discretion (in consultation with the Borrower) are substantially consistent with any evolving or then-prevailing market convention for determining compounded SOFR for U.S. dollar-denominated syndicated credit facilities at such time;

provided, that if the Administrative Agent in its reasonable discretion (in consultation with the Borrower) decides that any such rate, methodology or convention determined in accordance with clause (1) or clause (2) is not administratively feasible for the Administrative Agent, then Compounded SOFR will be deemed unable to be determined for purposes of the definition of “Benchmark Replacement”.

“Corresponding Tenor” with respect to a Benchmark Replacement shall mean a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the applicable Interest Period with respect to the then-current Benchmark.

“Early Opt-in Election” shall mean the occurrence of:

(1) (i) a determination by the Administrative Agent or (ii) a notification by the Required Lenders to the Administrative Agent (with a copy to the Borrower) that the Required Lenders have determined that U.S. dollar-denominated syndicated credit facilities being executed at such time, or that include language similar to that contained in Section 2.06(h) are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate to replace the then-current Benchmark, and

(2) (i) the election by the Administrative Agent or (ii) the election by the Required Lenders to declare that an Early Opt-in Election has occurred and the provision, as applicable, by the Administrative Agent of written notice of such election to the Borrower and the Lenders or by the Required Lenders of written notice of such election to the Administrative Agent (with a copy to the Borrower).

“Federal Reserve Bank of New York’s Website” shall mean the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source.

“GCI Liberty Merger Agreement” has the meaning set forth in the definition of GCI Liberty Merger Effective Date.

“GCI Liberty Merger Effective Date” means the time and date of the filing of the certificate of ownership and merger with the Secretary of State of the State of Delaware relating to the Upstream GCI Liberty Merger (as defined below) or at such later date and time as Liberty Broadband and Splitco may agree upon and as is set forth in such certificate of ownership and merger in accordance with that certain Agreement and Plan of Merger (as amended, restated, amended and restated, modified or supplemented, the “GCI Liberty Merger Agreement”), dated as of August 6, 2020, by and among, *inter alia*, Liberty Broadband, Grizzly Merger Sub I, LLC, a single member Delaware limited liability company and a direct wholly owned subsidiary of Liberty Broadband (“Merger LLC”), and Splitco pursuant to which Splitco shall merge with and into Merger LLC with Merger LLC surviving (the “Upstream GCI Liberty Merger”).

“Incremental Agreement” means that certain Amendment No. 3 to Margin Loan Agreement and Amendment No. 2 to Collateral Account Control Agreement in respect of the C6 Margin Loan

Agreement, dated as of the Amendment No. 3 Effective Date, pursuant to which the Kodiak Pay-off Loan Lenders (under and as defined therein) have agreed to provide up to \$1,300,000,000 in Additional Loan Commitments (under and as defined in the C6 Margin Loan Agreement) to the C6 Borrower in accordance with the terms of such Incremental Agreement.

“Kodiak Payoff” means the satisfaction of all Obligations of the Borrower hereunder and under the other Loan Documents (other than in respect of (x) contingent obligations for which no claim has been made and (y) any Prepayment Amount that may be due by the Borrower, which has been waived by each Lender hereunder), in the case of the principal amount of Loans, on a cashless roll basis with the proceeds of the incurrence of the C6 Incremental Facility by the C6 Borrower, and in the case of accrued interest, fees and other non-principal amounts, by repayment in cash on the GCI Liberty Merger Effective Date (immediately after the occurrence of the Upstream GCI Liberty Merger).

“Merger LLC” has the meaning set forth in the definition of GCI Liberty Merger Effective Date.

“Relevant Governmental Body” shall mean the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or, in each case, any successor thereto.

“Resolution Authority” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“SOFR” with respect to any day shall mean the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark (or a successor administrator), on the Federal Reserve Bank of New York’s Website.

“SOFR-Based Rate” shall mean SOFR, Compounded SOFR or Term SOFR.

“Term SOFR” means the forward-looking term rate based on SOFR for the applicable Corresponding Tenor that is published by the Federal Reserve Bank of New York on the Federal Reserve Bank of New York’s Website.

“UK Financial Institution” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“UK Resolution Authority” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“Unadjusted Benchmark Replacement” shall mean the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

“Upstream GCI Liberty Merger” has the meaning set forth in the definition of GCI Liberty Merger Effective Date.

(b) Section 1.01 of the Loan Agreement shall be modified by amending the definition of “Delayed Draw Commitment” by deleting the final sentence and inserting the following sentence in lieu thereof:

“The aggregate amount of the Delayed Draw Commitments on the Amendment No. 3 Effective Date is set forth on Part C of Schedule I.”

(c) Section 1.01 of the Loan Agreement shall be modified by amending the definition of “Delayed Draw Loan” by deleting the final sentence and inserting the following sentence in lieu thereof:

“The aggregate amount of the Delayed Draw Loans outstanding on the Amendment No. 3 Effective Date is set forth on Part C of Schedule I.”

(d) Section 1.01 of the Loan Agreement shall be modified by amending the definition of “Initial Loan” by deleting the final sentence and inserting the following sentence in lieu thereof:

“The aggregate principal amount of Initial Loans outstanding on the Amendment No. 3 Effective Date is set forth on Part C of Schedule I.”

(e) Section 1.01 of the Loan Agreement shall be modified by amending and restating clause (b) of the definition of “Interest Period” in its entirety as follows:

“(b) in the case of the Interest Period for the Loans outstanding as of the Amendment No. 3 Effective Date , the period commencing on the Amendment No. 3 Effective Date and ending on but excluding the next succeeding Interest Payment Date,”

(f) Section 1.01 of the Loan Agreement shall be modified by amending the definition of “LIBOR” by deleting the final sentence and inserting the following sentence in lieu thereof:

“ On the Amendment No. 3 Effective Date, the LIBOR in effect for the current Interest Period , which shall be the LIBOR in effect for the remainder of the Interest Period, is 0.30788%.”

(g) Section 1.01 of the Loan Agreement shall be modified by amending the definition of “Loan Document” therein by inserting “ the Third Amendment,” immediately after “the Second Amendment,” and immediately before “the Notes”.

(h) Section 1.01 of the Loan Agreement shall be modified by amending and restating the definition of “Maturity Date” in its entirety as follows:

““Maturity Date” means August 24, 2022 (or, if such date is not a Business Day, the immediately preceding Business Day).”

(i) Section 1.01 of the Loan Agreement shall be modified by amending and restating the definition of “Prepayment Date” in its entirety as follows:

““Prepayment Date” means the first Business Day that is immediately following the date that is twelve (12) months after the Amendment No. 3 Effective Date.”

(j) Section 1.01 of the Loan Agreement shall be modified by amending the definition of “Minimum Price” by deleting “\$[]” and inserting “\$[]” in lieu thereof.

(k) Section 1.01 of the Loan Agreement shall be modified by amending and restating the definition of “Revolving Commitments” in its entirety as follows:

““Revolving Commitments” means, with respect to each Lender, the commitment, if any, of such Lender to make Revolving Loans hereunder up to the amount set forth on Part C of Schedule I, or in the Assignment and Assumption pursuant to which such Lender assumed its Revolving Commitment, as applicable, as the same may be (a) reduced from time to time pursuant to Section 2.08, (b) reduced from time to time pursuant to Section 8.02 and (c) reduced or increased from

time to time pursuant to assignments by or to such Lender pursuant to Section 10.06. The aggregate amount of the Lenders' undrawn Revolving Commitments on the Amendment No. 3 Effective Date is \$0.00."

(l) Section 1.01 of the Loan Agreement shall be modified by amending the definition of "Revolving Loan" by deleting the final sentence and inserting the following sentence in lieu thereof:

"The aggregate principal amount of Revolving Loans outstanding on the Amendment No. 3 Effective date is \$200,000,000."

(m) The Loan Agreement shall be modified by amending and restating Section 1.02(g) thereof in its entirety as follows:

"If, at any time after the Funding Date, the aggregate outstanding principal amount of Liberty Broadband's and its consolidated Subsidiaries' indebtedness for borrowed money exceeds \$[] (other than the C6 Incremental Facility to the extent the proceeds thereof will be used to effect the Upstream GCI Liberty Merger and the Kodiak Payoff), the Calculation Agent may reduce, after non-binding consultation with the Borrower to the extent reasonably practical, the LTV Margin Call Level and/or the Maintenance LTV in each case, any such reduction having been calculated in good faith, and in a commercially reasonable and equitable manner as the Calculation Agent determines necessary to preserve for the Lenders and the Borrower the intent of the parties and the fair value and risks in the Loans."

(n) The Loan Agreement shall be modified by amending and restating Section 1.07 thereof its entirety as follows:

"**Rates.** The Administrative Agent does not warrant or accept responsibility for, and shall not have any liability with respect to (a) the administration of, submission of, calculation of or any other matter related to LIBOR, any component definition thereof or rates referenced in the definition thereof or any alternative, comparable or successor rate thereto (including any then-current Benchmark or any Benchmark Replacement), including whether the composition or characteristics of any such alternative, comparable or successor rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, LIBOR or any other Benchmark, or (b) the effect, implementation or composition of any Benchmark Replacement Conforming Changes."

(o) The Loan Agreement shall be modified by amending and restating Section 2.06(c) thereof its entirety as follows:

"Alternate Rate of Interest.

(i) If prior to the commencement of any Interest Period for a LIBOR Borrowing:

(A) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining LIBOR (including because the Screen Rate is not available or published on a current basis), for such Interest Period other than as a result of a Benchmark Transition Event or an Early Opt-in Election; or

(B) the Administrative Agent is advised by the Required Lenders that LIBOR for such Interest Period will not adequately and fairly reflect the cost to such Lenders

of making or maintaining their Loans included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone, telecopy or electronic mail as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, any Borrowing of Loans shall be made as a Borrowing of Base Rate Loans. The Administrative Agent will promptly notify the Borrower and the Lenders of (i) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to this Section 2.06(h)(i) and (v) the commencement or conclusion of any Benchmark Unavailability Period.

- (ii) Notwithstanding anything to the contrary herein or in any other Loan Document, upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, the Administrative Agent and the Borrower may amend this Agreement to replace the then-current Benchmark with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. on the fifth (5th) Business Day after the Administrative Agent has posted such proposed amendment to all Lenders and the Borrower, so long as the Administrative Agent has not received, by such time, written notice of objection to such proposed amendment from Lenders comprising the Required Lenders; provided that, with respect to any proposed amendment containing any SOFR-Based Rate, the Lenders shall be entitled to object only to the Benchmark Replacement Adjustment contained therein (if any). Any such amendment with respect to an Early Opt-in Election will become effective on the date that Lenders comprising the Required Lenders have delivered to the Administrative Agent written notice that such Required Lenders accept such amendment. No replacement of a Benchmark with a Benchmark Replacement will occur prior to the applicable Benchmark Transition Start Date.
- (iii) In connection with the implementation of a Benchmark Replacement, the Administrative Agent and the Borrower will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.
- (iv) Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for a Borrowing of a LIBOR Loan of, conversion to or continuation of LIBOR Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a Borrowing of or conversion to Base Rate Loans. During any Benchmark Unavailability Period, the component of Base Rate based upon LIBOR will not be used in any determination of Base Rate."

(p) The Loan Agreement shall be modified by amending and restating Section 2.15 thereof its entirety as follows:

“Notice of Additional Debt of Liberty Broadband. The Borrower shall promptly and in any event within thirty (30) Business Days after the Borrower obtains actual knowledge thereof, notify the Administrative Agent (and the Administrative Agent shall provide such notice to the Lenders) that the aggregate outstanding principal amount of Liberty Broadband’s and its consolidated Subsidiaries’ indebtedness for borrowed money exceeds \$[] (other than the C6 Incremental Facility to the extent the proceeds thereof will be used to effect the Upstream GCI Liberty Merger and the Kodiak Payoff).”

(q) The Loan Agreement shall be modified by amending clause (c) of the second proviso of Section 10.01 therein by inserting “ or the then-current Benchmark, as applicable,” immediately after “in replacement of LIBOR” and immediately before “as provided for in Section 2.06(c)”:

(r) The Loan Agreement shall be modified by amending Section 10.06 thereof by adding the following clause (g) after the existing clause (f):

“(g) Notwithstanding anything to the contrary herein, on and after the Amendment No. 3 Effective Date and so long as the Lenders have Kodiak Pay-off Loan Commitments (as defined in the C6 Margin Loan Agreement) in effect and outstanding, no Lender or Participant may assign and/or participate its Loans and/or Commitments without the prior written consent of the Borrower unless at the time of such assignment (i) (A) any Event of Default has occurred and is ongoing or (B) such assignment is to a Lender, or an Affiliate or Approved Fund of a Lender and (ii) (1) any Eligible Assignee or eligible participant takes such assignment and/or participation together with an assignment or participation of the Lender’s rights and obligations under the C6 Incremental Facility (including with respect to the Kodiak Payoff and the cashless nature thereof) and (2) such assignment or participation does not (A) impose new or additional conditions precedent to the funding of the C6 Incremental Facility (or shorten any outside termination date thereof), (B) adversely impact the timing of the funding of the C6 Incremental Facility and/or delay, impede or prevent the closing of the GCI Liberty Merger Effective Date or (C) reduce the aggregate amount of the C6 Incremental Facility.”

(s) the Schedules to the Loan Agreement shall be amended by (i) inserting Annex A attached hereto immediately after Part B of Schedule I attached thereto and (ii) replacing Schedule 10.02 attached thereto with Annex B attached hereto.

(t) the Exhibits to the Loan Agreement shall be amended by replacing all Borrower addressee references therein as follows:

“Broadband Holdco, LLC, as the Borrower
12300 Liberty Boulevard
Englewood, Colorado 80112
Attention: Assistant Vice President
Telephone No.: [Separately provided]
Facsimile No.: [Separately provided]
E-mail: [Separately provided]

with a copy to:

Broadband Holdco, LLC, as the Borrower
12300 Liberty Boulevard
Englewood, Colorado 80112

Attention: Chief Legal Officer
Telephone No.: [Separately provided]
Facsimile No.: [Separately provided]
E-mail: [Separately provided]"

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

SECTION 3. Interest True Up. Notwithstanding anything herein or in the Loan Agreement to the contrary, (i) on the Amendment No. 3 Effective Date, Borrower shall pay directly to each Lender (x) all accrued and unpaid interest with respect to the outstanding Loans and (y) all accrued and unpaid Revolving Loan Commitment Fees with respect to the Revolving Commitments, in each case, outstanding immediately prior to the effectiveness of this Agreement and (ii) the Lenders hereby waive any indemnity claim for LIBOR breakage costs under Section 3.04 of the Loan Agreement in connection with the repayment of interest on the Amendment No. 3 Effective Date as described above. Notwithstanding anything to the contrary contained in the Amended Loan Agreement, the LIBOR in effect for the Loans immediately prior to the effectiveness of this Agreement shall be the LIBOR used in the calculation of interest for the Loans for the remainder of the current Interest Period following the date hereof, until the commencement of the next subsequent Interest Period. For the avoidance of doubt, on the Amendment No. 3 Effective Date, the LIBOR in effect for the current Interest Period, which shall be the LIBOR in effect for the remainder of the Interest Period, is 0.30788%.

SECTION 4. Conditions to Effectiveness of this Agreement. This Agreement shall become effective when all the conditions set forth in this Section 4 shall have been satisfied or waived by Administrative Agent or Lenders, as applicable (the date such conditions are satisfied being the "**Amendment No. 3 Effective Date**").

- 4.1 Administrative Agent shall have executed this Agreement, in its capacity as Administrative Agent, and shall have received counterparts of this Agreement executed by Borrower, each Lender party hereto and Calculation Agent.
 - 4.2 Administrative Agent shall have received a certificate executed by a Responsible Officer of Borrower certifying that:
 - (a) Each of the representations and warranties made by Borrower set forth in Article V of the Amended Loan Agreement and the other Loan Documents shall be true and correct in all material respects (except to the extent such representation or warranty is already qualified by materiality, in which case to that extent it shall be true and correct in all respects) on and as of the date hereof with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties shall be true and correct in all material respects (except to the extent such representations and warranties are already qualified by materiality, in which case to that extent they shall be true and correct in all respects) as of such earlier date); and
 - (b) No Default shall exist as of the Amendment No. 3 Effective Date and immediately after the effectiveness of this Agreement and the transactions contemplated hereby.
 - 4.3 Administrative Agent shall have received (x) such documents and certifications as Administrative Agent may reasonably require to evidence that Borrower is duly organized or formed under the Laws of the jurisdiction of its organization and is validly existing, in good standing and qualified to engage in business in its jurisdiction of formation and each other jurisdiction where it is conducting business and (y) resolutions or other evidence of organizational action authorizing the
-

execution, delivery and performance of this Agreement and the Amended Loan Agreement, in each case, and substantially consistent with those delivered on the Closing Date in connection with the entering into of the Loan Documents.

- 4.4 Administrative Agent shall have received customary legal opinions of each of (x) Baker Botts L.L.P., counsel to Borrower, and (y) Sidley Austin LLP, counsel to Borrower, in each case, addressed to the Lenders and Agents, as to such matters as the Lenders and Agents may reasonably request with respect to this Agreement.
- 4.5 Borrower shall pay an amendment fee (the “**Amendment Fee**”) directly to each Lender as of the Amendment No. 3 Effective Date in the amount set forth on Schedule 1 hereto. The Amendment Fee is due and payable in full and shall be fully earned on the Amendment No. 3 Effective Date and shall be nonrefundable for any reason whatsoever.
- 4.6 Borrower shall have paid all reasonable, documented and out-of-pocket fees, charges and disbursements of counsel to the Lenders and Agents to the extent invoiced two (2) Business Days prior to the Amendment No. 3 Effective Date; provided that such amount shall not thereafter preclude a final settling of such amounts between Borrower, such Lenders and Agents; provided, further, that, in each case, in the case of legal fees and expenses, such fees and expenses shall be limited to the reasonable and documented fees, charges and disbursements of a single counsel to Agents and the Lenders, taken as a whole.

SECTION 5. Representations and Warranties of Borrower. By its execution of this Agreement, Borrower hereby represents and warrants to the Lenders, Administrative Agent and Calculation Agent that, as of the Amendment No. 3 Effective Date:

- 5.1 The execution, delivery and performance by Borrower of this Agreement has been duly authorized by all necessary corporate or other organizational action, and does not and will not (a) contravene the terms of any of its Organizational Documents; (b) result in any breach, or default under, any Contractual Obligation to which it is a party or by which it is bound or affecting the Pledged Shares; (c) result in the creation or imposition of any Transfer Restriction on the Eligible Pledged Shares or Lien on the Collateral (other than the Permissible Transfer Restrictions) under, or require any payment to be made under, any Contractual Obligation; (d) violate any written corporate policy of any Issuer applicable to Borrower or, to Borrower’s knowledge, affecting Borrower; (e) violate any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which Borrower is subject; or (f) violate any Law, except, in the case of clauses (b), (d), (e), and (f), where any such breach or violation, either individually or in the aggregate, has not had and could not reasonably be expected to have a Material Adverse Effect.
- 5.2 No Default exists as of the date hereof.

SECTION 6. Validity of Obligations and Liens: Reaffirmation.

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

SECTION 7. Execution in Counterparts. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement.

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

SECTION 9. Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Agreement.

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

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

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

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

13.1 **SUBMISSION TO JURISDICTION. EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE, COUNTY AND CITY OF NEW YORK, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY**

JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING SHALL BE HEARD AND DETERMINED IN SUCH STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.

- 13.2 **WAIVER OF VENUE.** EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT IN ANY COURT REFERRED TO IN SECTION 13.1. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.
- 13.3 **SERVICE OF PROCESS.** EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 10.02 OF THE AMENDED LOAN AGREEMENT. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.
- 13.4 **WAIVER OF JURY TRIAL.** EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY).

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

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

SECTION 17. **Qualified Financial Contract.** The parties agree that the terms of Section 1 and Section 2 and the related defined terms (together, the “**Bilateral Terms**”) of the form of bilateral template entitled “Full-Length Omnibus (for use between U.S. G-SIBs and Corporate Groups)” published by ISDA on November 2, 2018 (currently available on the 2018 ISDA U.S. Resolution Stay Protocol page at www.isda.org and a copy of which is available upon request), the effect of which is to amend the qualified financial contracts between the parties thereto to conform with the requirements of the QFC Stay Rules, are hereby incorporated into and form a part of this Agreement and any Loan Document that is a “QFC” (as defined in the Bilateral Terms), and for such purposes this Agreement and such Loan Documents shall each be deemed a “Covered Agreement,” each party that is a Regulated Entity shall be deemed a “Covered Entity” and each party (whether or not it is a Regulated Entity) shall be deemed a “Counterparty Entity” with respect to each other party that is a Regulated Entity. In the event of any inconsistencies between this Agreement, the Amended Loan Agreement or such Loan Documents and the Bilateral

Terms, the Bilateral Terms will govern. Terms used in this paragraph without definition shall have the meanings assigned to them under the QFC Stay Rules.

[Signature Pages Follow]

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

BROADBAND HOLDCO, LLC, as Borrower

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

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

By: _____
Name:
Title:

[Signature Page to Amendment No. 3 to Kodiak Margin Loan Agreement]

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

By: _____
Name:
Title:

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

By: _____
Name:
Title:

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

By: _____
Name:
Title:

[Signature Page to Amendment No. 3 to Kodiak Margin Loan Agreement]

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

By: _____
Name:
Title:

[Signature Page to Amendment No. 3 to Kodiak Margin Loan Agreement]

DEUTSCHE BANK AG, LONDON BRANCH, as a Lender

By: _____
Name:
Title:

By: _____
Name:
Title:

[Signature Page to Amendment No. 3 to Kodiak Margin Loan Agreement]

CITIBANK, N.A., as a Lender

By: _____

Name:

Title:

[Signature Page to Amendment No. 3 to Kodiak Margin Loan Agreement]

**CREDIT AGRICOLE CORPORATE AND INVESTMENT
BANK, as a Lender**

By: _____
Name:
Title:

[Signature Page to Amendment No. 3 to Kodiak Margin Loan Agreement]

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as a
Lender

By: _____
Name:
Title:

[Signature Page to Amendment No. 3 to Kodiak Margin Loan Agreement]

SCHEDULE 1 TO THIRD AMENDMENT

AMENDMENT FEES

Lender	Amendment Fee
JPMorgan Chase Bank, N.A., London Branch	\$[]
MUFG Union Bank, N.A.	\$[]
Deutsche Bank AG, London Branch	\$[]
Citibank, N.A.	\$[]
Credit Agricole Corporate and Investment Bank	\$[]
Credit Suisse AG, Cayman Islands Branch	\$[]

[SCHEDULE I TO THIRD AMENDMENT]

ANNEX A TO THIRD AMENDMENT

PART C

Outstanding Loans and Commitments as of the Amendment No. 3 Effective Date

Lender	Initial Loans	Revolving Commitments	Delayed Draw Loans	Delayed Draw Commitments
JPMorgan Chase Bank, N.A., London Branch	\$[]	\$[]	\$[]	\$0.00
MUFG Union Bank, N.A.	\$[]	\$[]	\$[]	\$0.00
Deutsche Bank AG, London Branch	\$[]	\$[]	\$[]	\$0.00
Citibank, N.A.	\$[]	\$[]	\$[]	\$0.00
Credit Agricole Corporate and Investment Bank	\$[]	\$[]	[]	\$0.00
Credit Suisse AG, Cayman Islands Branch	\$[]	\$[]	\$[]	\$0.00
Total	\$800,000,000.00	\$200,000,000.00	\$300,000,000.00	\$0.00

[ANNEX A TO THIRD AMENDMENT]

ANNEX B TO THIRD AMENDMENT

SCHEDULE 10.02 TO
MARGIN LOAN AGREEMENT

ADDRESSES FOR NOTICES

BORROWER:

Broadband Holdco, LLC, as the Borrower
12300 Liberty Boulevard
Englewood, Colorado 80112
Attention: Assistant Vice President
Telephone No.: [Separately provided]
Facsimile No.: [Separately provided]
E-mail: [Separately provided]

with copies to:

Broadband Holdco, LLC, as the Borrower
12300 Liberty Boulevard
Englewood, Colorado 80112
Attention: Chief Legal Officer
Telephone No.: [Separately provided]
Facsimile No.: [Separately provided]
E-mail: [Separately provided]

Authorized persons for telephonic notices: [Separately provided].

ADMINISTRATIVE AGENT:

JPMorgan Chase Bank, N.A., London Branch
[Separately provided]
Attention: [Separately provided]
Telephone No.: [Separately provided]
Facsimile No.: [Separately provided]
E-mail: [Separately provided]

with a copy to:

JPMorgan Chase Bank, N.A., London Branch
[Separately provided]
Attention: [Separately provided]
Telephone No.: [Separately provided]
Facsimile No.: [Separately provided]
E-mail: [Separately provided]

[ANNEX B TO THIRD AMENDMENT]

CALCULATION AGENT:

JPMorgan Chase Bank, N.A., London Branch
[Separately provided]
Attention: [Separately provided]
Telephone No.: [Separately provided]
Facsimile No.: [Separately provided]
E-mail: [Separately provided]

with a copy to:

JPMorgan Chase Bank, N.A., London Branch
[Separately provided]
Attention: [Separately provided]
Telephone No.: [Separately provided]
Facsimile No.: [Separately provided]
E-mail: [Separately provided]

LENDERS:

JPMorgan Chase Bank, N.A., London Branch

JPMorgan Chase Bank, N.A., London Branch
[Separately provided]
Attention: [Separately provided]
Telephone No.: [Separately provided]
Facsimile No.: [Separately provided]
E-mail: [Separately provided]

with a copy to:

JPMorgan Chase Bank, N.A., London Branch
[Separately provided]
Attention: [Separately provided]
Telephone No.: [Separately provided]
Facsimile No.: [Separately provided]
E-mail: [Separately provided]

MUFG Union Bank, N.A.

MUFG Union Bank, N.A.
[Separately provided]
Attention: [Separately provided]
Telephone No.: [Separately provided]
Email: [Separately provided]

Deutsche Bank AG, London Branch

Deutsche Bank AG, London Branch

[Separately provided]
Attention: [Separately provided]
Telephone No.: [Separately provided]
Email: [Separately provided]

with a copies to:

Deutsche Bank AG, London Branch
[Separately provided]
Attention: [Separately provided]
Telephone No.: [Separately provided]
Email: [Separately provided]

Deutsche Bank AG, London Branch
[Separately provided]
Attention: [Separately provided]
Telephone No.: [Separately provided]
Email: [Separately provided]

Citibank, N.A.

Citibank, N.A.
[Separately provided]
Attention: [Separately provided]
Telephone No.: [Separately provided]
Email: [Separately provided]

Credit Agricole Corporate and Investment Bank

Credit Agricole Corporate and Investment Bank
[Separately provided]
Attention: [Separately provided]
Telephone No.: [Separately provided]
Email: [Separately provided]

Credit Suisse AG, Cayman Islands Branch

Credit Suisse AG, Cayman Islands Branch
[Separately provided]
Attention: [Separately provided]
Telephone: No.: [Separately provided]
Facsimile No.: [Separately provided]
Email: [Separately provided]

with a copy to:

Credit Suisse AG, Cayman Islands Branch
[Separately provided]

[ANNEX B TO THIRD AMENDMENT]

Attention: [Separately provided]
Telephone No.: [Separately provided]
Facsimile No.: [Separately provided]
Email: [Separately provided]

[ANNEX B TO THIRD AMENDMENT]

July 1, 2020

Mr. Ronald A. Duncan
GCI Liberty, Inc.
12300 Liberty Boulevard
Englewood, Colorado 80112

Re: Personal Use of Company Aircraft

Dear Ron:

This letter (this “Agreement”) sets forth our agreement with respect to your personal use of aircraft (the “Aircraft”) owned or leased by GCI Communication Corp. (“GCC”), on and after the Effective Date (defined below). This Agreement amends and restates in its entirety the prior aircraft usage letter dated May 6, 2019 between you and GCC.

1. **Use of the Aircraft.** During the Term (as defined below), you may use up to 100 hours per calendar year worth of flight time (the “Annual Allotment”) on the Aircraft for personal use (“Personal Flight Time”); provided, that during calendar year 2019 you were entitled to use 80 hours of Personal Flight Time. You may schedule Personal Flight Time with GCC’s flight department subject to availability of the Aircraft.

Any unused Annual Allotment for a given calendar year will terminate on December 31 of such year and may not be rolled over into a subsequent calendar year. GCC will have no obligation to continue to own or lease any Aircraft other than pursuant to GCC’s obligations under the Second Amended and Restated Aircraft Lease Agreement between GCI Communication Corp. and 560 Company, Inc., dated May 9, 2011, as amended by the First Amendment, dated November 30, 2018 (together, the “Aircraft Lease Agreement”).

2. **IRS Reporting.** The fair market value of Personal Flight Time will be reflected as income on your W-2 in accordance with applicable IRS regulations based on the Standard Industry Fare Level formula (SIFL) pursuant to 26 C.F.R. §1.61-21(g) or a comparable successor provision.

3. **Term.** The term of this Agreement (the “Term”) will be deemed to have commenced on January 1, 2019 (the “Effective Date”) and will expire on the earliest of (i) the date that you cease to be employed by GCC or any of its subsidiaries or, in the case of certain types of termination of employment as provided in your executive employment agreement with GCC dated effective July 1, 2020 (the “Employment Agreement”), the 120th day following such termination and (ii) the date that GCC ceases to own or lease any Aircraft.

4. **Compliance with Internal Revenue Code Section 409A.** The in-kind benefits provided under this Agreement (the Personal Flight Time) will be provided by GCC during the time periods set forth in this Agreement. The amount of in-kind benefits provided in one taxable year shall not affect the in-kind benefits to be provided in any other taxable year and the right to in-kind benefits is not subject to liquidation or exchange for another benefit. Your failure to use the Annual Allotment will not entitle you to any compensation or consideration for the unused hours.

5. **Governing Law.** This Agreement will be governed by, and will be construed and enforced in accordance with, the laws of the State of Colorado without regard to the conflicts of laws principles of that jurisdiction.

6. **Entire Agreement.** This Agreement, the Aircraft Lease Agreement and the Employment Agreement constitute the entire agreement and understanding between the parties with respect to the subject matter hereof and supersede any and all previous written or oral representations, promises, agreements or understandings of whatever nature between the parties with respect to the subject matter. This Agreement may not be altered or amended except by an agreement in writing signed by both parties. This Agreement may be signed in counterparts.

If you are in agreement with the foregoing, please execute the enclosed copy of this letter.

Very truly yours,

GCI Communication Corp.

By: /s/ Rebecca Windt Pearson

Rebecca Windt Pearson

General Counsel, Senior Vice President,

Government Relations, and Chief Compliance Officer

Agreed:

/s/ Ronald A. Duncan

Ronald A. Duncan

GCI COMMUNICATION CORP.

EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement (this “**Agreement**”) is entered into effective as of July 1, 2020 (the “**Effective Date**”), by and between GCI Communication Corp., an Alaska corporation (the “**Company**”) and Ronald Duncan (“**Executive**”). An index to the defined terms used in this Agreement is attached as Exhibit A.

1. **Employment Period; Positions.**

1.1 **Employment Period; Employment Position.** Executive’s employment under the terms and conditions specified in this Agreement will be for an initial term beginning on the Effective Date and ending at the close of business on January 5, 2023 or such earlier date upon which Executive ceases to be employed by the Company (the “**Term**”), subject to Executive’s and the Company’s right to terminate Executive’s employment at any time. Executive will be employed during the Term in the position of Chief Executive Officer of the Company (the “**Position**”) on the terms and conditions set forth in this Agreement. Notwithstanding anything in this Agreement to the contrary, Executive remains an “employee at will,” and Executive’s employment by the Company is subject to termination by Executive or the Company at any time, with or without notice or Cause, and for any reason or no reason.

1.2 **Board Position.** Executive is a member of the Board of Directors (the “**Board**”) of GCI Liberty, Inc. (“**GLIB**”) as of the Effective Date. GLIB will nominate and recommend to the stockholders of GLIB that Executive be elected to the Board whenever Executive is scheduled to stand or stands for reelection to the Board at any of GLIB’s annual stockholder meetings held prior to the earlier of the end of the Term and December 31, 2022 if a Fundamental Transaction (as defined in Section 4.1.1 below) has not then been agreed to or occurred and GLIB is then a public company. Executive will promptly resign from the Board upon the earliest to occur of any of the following: (a) the termination of Executive’s employment by the Company for any reason or voluntarily by Executive for any reason, (b) a request by GLIB that Executive resign that is made in connection with GLIB ceasing to be a publicly traded company; provided, that following such event and if a Fundamental Transaction has not then occurred, Executive may continue to attend board meetings of a Successor Entity (as defined below in Section 3.4) as an observer until the earlier of the end of the Term and December 31, 2022, or (c) a request by GLIB that Executive resign that is made in connection with a Fundamental Transaction that has been agreed to or occurred.

2. **Duties.** Executive will perform those duties for the Company that are consistent with the Position and that are assigned to Executive from time to time by the Company. Executive will report to the Chief Executive Officer of GLIB or a Successor Entity, and will devote Executive’s entire productive business time, attention and energies to the performance of Executive’s duties to the Company. Executive will abide by all rules, codes of conduct, regulations and policies applicable to employees and senior executives of the Company as may be in effect from time to time, including applicable policies of GLIB or a Successor Entity (collectively, “**Business Conduct Policies**”). Executive’s services will be provided from the offices of the Company in Alaska or from such other locations(s) as may be specified by the Company from time to time, and subject to travel for business as required by the Company. Notwithstanding anything to the contrary in this Agreement, Executive may (i) participate in civic and charitable activities, (ii) manage personal and family investments, and (iii) serve on the Advisory Board of Duncan Aviation, in each case as long as such activities do not affect Executive’s ability to carry out Executive’s services under this Agreement.

3. **Compensation.** Executive's compensation while employed by the Company will consist of the compensation set forth in this Section 3, which compensation covers Executive's services to the Company and its affiliated entities that control, are controlled by, or are under common control with, the Company (collectively, the "**Affiliates**"), subject in each case to deduction or withholding by the Company of any amounts that it may be required to deduct or withhold pursuant to any federal, state or local laws, rules or regulations ("**Required Withholding**").

3.1 **Base Salary/Total Target Cash Compensation.** A base salary at an annualized rate of Nine Hundred Ninety Thousand Dollars (\$990,000.00), payable in accordance with the Company's payroll practice as in effect from time to time (as adjusted from time to time at the discretion of the Committee with input from the Chief Executive Officer of GLIB or a Successor Entity, the "**Base Salary**"). References herein to the "**Committee**" mean, as applicable, the compensation committee of the Board or the compensation committee of the board of directors of a Successor Entity. Executive's Base Salary for a given calendar year, together with Executive's Annual Target Cash IC Amount for such year (as defined in Section 3.2 below) is referred to herein as Executive's "**Total Target Cash Compensation**" for such year. In addition, promptly following the execution of this Agreement, the Company will make a one-time payment to Executive in the amount of One Million Eight Hundred Ninety Seven Thousand Two Hundred Ninety Dollars (\$1,897,290.00).

3.2 **Annual Target Cash Incentive Compensation Program.** Subject to earlier termination of the Term, for each of calendar years 2020, 2021 and 2022, Executive will be eligible to participate in the Company's discretionary annual target cash incentive compensation program (the "**Target Cash IC Program**"). Pursuant to such program, for each applicable year as described in the preceding sentence, Executive will be eligible to receive an annual target cash amount equal to One Million Two Hundred Fifty Two Thousand Seven Hundred Forty-One Dollars (\$1,252,741.00) (the "**Annual Target Cash IC Amount**"). The annual performance metrics and the overall design of the Target Cash IC Program (which may include negative discretion criteria and an EBITDA growth target) will be established on an annual basis; provided that 20% of the Annual Target Cash IC Amount will be subject to achievement of an EBITDA growth target established on an annual basis by the Committee. Any Annual Target Cash IC Amount to which Executive becomes entitled under the terms of the Target Cash IC Program shall be paid in one lump-sum payment not later than March 15 of the calendar year immediately following the calendar year to which such amount relates. Executive acknowledges that payment to Executive of any Annual Target Cash IC Amount is discretionary and will be made only in accordance with the terms of the Target Cash IC Program. For the avoidance of doubt, Executive is not entitled to participate in the Target Cash IC Program for calendar year 2023.

3.3 **Initial Multi-Year Equity Award.** As consideration for Executive's future services, GLIB granted to Executive on December 10, 2018 a multi-year award of restricted stock units under the GCI Liberty, Inc. 2018 Omnibus Incentive Plan (the "**Multi-Year RSU Award**"). For the avoidance of doubt, as of the Effective Date, this Agreement (as the same may hereafter be amended) constitutes an "Employment Agreement" as defined in the Multi-Year RSU Award grant agreement.

3.4 **Annual Target Equity Incentive Compensation.** Subject to earlier termination of the Term, with respect to each of calendar years 2020, 2021 and 2022, Executive will be eligible to receive from GLIB or a Successor Entity as determined by the Company, a target grant of performance-based Restricted Stock Units (the "**Performance RSUs**") with an initial target grant value equal to Six Hundred Twenty Six Thousand Three Hundred Seventy One Dollars (\$626,371.00) per calendar year (determined, in each case, in accordance with the issuer's standard practice as then in effect), subject to approval of the Committee (the "**Annual Target Equity IC Amount**"). On March 13, 2020, the Committee granted Performance RSUs to Executive for calendar year 2020 with a target grant value equal to the Annual Target Equity IC Amount. The vesting of each grant of Performance RSUs will be subject

to the satisfaction of such performance metrics as are determined each year by the Committee (which may include negative discretion criteria and an EBITDA growth target); provided that 20% of the Performance RSUs issued each year in respect of the Annual Target Equity IC Amount will be subject to achievement of an EBITDA growth target established on an annual basis by the Committee. Such grants will be made pursuant to Restricted Stock Unit award agreements in the form approved by the issuer from time to time, which shall include the issuer's standard terms and provisions. This Agreement (as the same may hereafter be amended) constitutes an "Employment Agreement" for purposes of the Performance RSUs that were granted to Executive in calendar years 2019 and 2020. The issuer's standard terms and provisions will provide for full vesting of any portion of a Performance RSU award that is outstanding but unvested at the time of death of Executive or at the time of Executive's termination as a result of Executive's Disability (as defined in the applicable incentive plan pursuant to which such awards are issued).

Notwithstanding anything to the contrary in this Agreement, in no event will any Performance RSUs be granted to Executive after the earlier of December 31, 2022 or the date of Executive's termination of employment. "**Successor Entity**" means any successor to GLIB if such successor is a publicly traded entity or if not, the publicly traded parent company of GLIB.

3.5 **Benefits.** Executive will be eligible to participate in any welfare, health and life insurance, 401(k) plans, fringe benefit and incentive programs that are offered to employees of the Company from time to time on the same basis as that provided to similarly situated employees of the Company at such time. Executive will not be required to track sick leave, personal leave or vacation time, it being understood by Executive that, subject to applicable law, Executive is expected to take no more than six weeks in the aggregate of all such leave and/or vacation time during each calendar year of the Term.

3.6 **Business Expenses.** The Company will promptly pay or reimburse Executive for reasonable expenses incurred in connection with Executive's employment in accordance with the Company's standard policies and practices as in effect from time to time.

3.7 **Aircraft Usage.** During the Term and, to the extent specified in this Agreement, for the 120-day period following expiration of the Term, Executive shall be entitled to the use of Company aircraft pursuant to the terms of the amended and restated letter agreement dated effective July 1, 2020 between the Company and Executive (as may hereafter be amended, the "**Aircraft Agreement**"); provided in each case that such agreement is then in effect.

4. **Use of Wak Retreat During Term and Following Certain Termination Events.**

4.1 **Definitions.** The following terms have the meanings specified below for purposes of this Agreement:

4.1.1 "**Fundamental Transaction**" means the occurrence of any of the following: (i) a merger, consolidation, business combination, share exchange, reorganization, spin-off, split-off or other transaction to which GLIB or any Successor Entity is a party, immediately following which persons or entities who were common stockholders of such entity immediately prior thereto have less than a majority of the combined voting power of the outstanding capital stock of the surviving corporation ordinarily (and apart from the rights accruing under special circumstances) having the right to vote in the election of directors, (ii) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of GLIB (or a Successor Entity) and its subsidiaries, taken as a whole, or (iii) any other transaction or event that GLIB or a Successor Entity reasonably determines has or will result in a change of "control" of GLIB or such Successor Entity, with control for this purpose meaning the power to elect a majority of the board of directors of such entity, or other possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities, by contract, or otherwise.

Notwithstanding the foregoing, no Fundamental Transaction shall be deemed to have occurred if GLIB is party to any transaction described in this Section 4.1.1 with another publicly traded company in which John C. Malone or Gregory B. Maffei beneficially owns voting power in excess of 25% of the aggregate voting power of such company.

4.1.2 “**Wak Owner**” means the Company, or another Affiliate of the Company that hereafter becomes the owner of the Wak Retreat.

4.1.3 “**Wak Retreat**” means Lots 1, 2, 3, 4, 5, 6, 7 & 8, Wood River Lodge Subdivision, according to the official plat thereof, filed under Plat Number 79-7, Records of the Bristol Bay Recording District, Third Judicial District, State of Alaska, including all buildings, structures, fixtures located thereon, improvements and appurtenances thereto, and easements, prescriptive and other rights benefiting it.

4.1.4 “**Wak Access Rights Termination Event**” means the occurrence of any of the following:

- (a) The termination of Executive’s employment with the Company (i) by the Company for Cause (as defined in Section 6.2.4) or (ii) prior to December 31, 2022, by Executive without Good Reason (as defined in Section 6.2.5);
- (b) The ten-year anniversary of the date of termination of Executive’s employment with the Company (i) as a result of Executive’s Disability (as defined in Section 6.1.1), (ii) by the Company without Cause (including such a termination at or following December 31, 2022), (iii) by Executive for Good Reason or (iv) following December 31, 2022, by Executive for any reason;
- (c) The death of Executive; or
- (d) the closing of a Wak Sale (as defined in Section 5.1.2).

4.2 **Wak Access Rights.** From the Effective Date through the occurrence of a Wak Access Rights Termination Event, but subject to the Company deciding at any time not to open or maintain operations at the Wak Retreat, Executive is entitled to the following rights, which rights are personal to Executive and are not assignable by Executive in whole or in part (collectively, the “**Wak Access Rights**”): (i) preferred access to the “Fisher Cabin” at the Wak Retreat at any time when it is not being used for the Company’s or its Affiliates’ purposes, and (ii) up to two weeks per calendar year (which may not be carried over to a subsequent calendar year) scheduled at least one week at a time of exclusive personal use of the entire Wak Retreat when it is not being used for the Company’s or its Affiliates’ purposes, in each case subject to the Company’s rules, regulations and requirements as may be established from time to time, and to the terms and conditions set forth below. Executive shall give the Company reasonable advance prior written notice of any dates that Executive desires to exercise the preceding rights and the Company shall use reasonable efforts to accommodate such dates or negotiate in good faith regarding other dates when the Fisher Cabin or the entire Wak Retreat, as applicable, is not planned to be used for the Company’s or its Affiliates’ purposes and is otherwise available. Executive’s right to exclusive personal use of the entire Wak Retreat pursuant to Section 4.2(ii) includes the use of all buildings, structures, fixtures, and improvements located thereon or associated therewith, along with the right to use all equipment, furniture, utilities, guides, housekeeping and meal and beverage services that are presently provided by the Company or an Affiliate to or for the Wak Retreat. With respect to air transportation services that are used by the Company for the Wak Retreat, Executive may use such services for transportation to and from the Wak (but not for remote excursions from the Wak) under the Company’s existing contracts with respect thereto;

provided, that Executive shall reimburse the Company for the incremental hourly cost payable by the Company under such contracts with respect to Executive's use of such services. For the avoidance of doubt, Executive will not be entitled to any compensation or consideration for his failure to use the full two weeks of Wak Retreat use described above.

5. **WAK Retreat Right of First Offer.**

5.1 **Definitions.**

5.1.1 **"ROFO Termination Event"** means the earliest to occur of (a) a Wak Access Rights Termination Event; (b) closing of a Fundamental Transaction (it being agreed that no consideration for such termination of rights shall be paid to Executive); or (c) the date as of which the Company has offered Executive the right to acquire the Wak Retreat pursuant to this Section 5 and Executive does not timely deliver a Reply Notice, or, following such delivery of a Reply Notice, the Company or the Wak Owner and Executive fail to enter into a definitive agreement and close on a Complete Wak Asset Sale prior to the expiration of the Negotiation Period, other than as a result of a material breach by the Company of its obligations under this Section 5 as determined by a final, non-appealable judgment or binding arbitration.

5.1.2 **"Wak Sale"** means the direct or indirect transfer by GLIB or a Successor Entity of all rights, title and interest to the Wak Retreat, other than any such transfer (a) to an Affiliate of GLIB or a Successor Entity, (b) resulting from a direct or indirect change in ownership of the Wak Retreat if the Wak Retreat does not directly or indirectly constitute all or substantially all of the assets of the entity as to which a change in ownership occurred, or (c) that occurs pursuant to a Fundamental Transaction.

5.2 **Right of First Offer.** From the Effective Date through the occurrence of a ROFO Termination Event, in the event that the Company, GLIB or a Successor Entity desires to effect a Wak Sale, the Company will first offer to Executive the right to negotiate with the Company (or its applicable Affiliate) to enter into an agreement to acquire all of the assets constituting the Wak Retreat (a **"Complete Wak Asset Sale"**), on the terms and conditions set forth in this Section 5.2 (the **"Wak ROFO"**), which right is personal to Executive and is not assignable by Executive in whole or in part. For the avoidance of doubt, if a ROFO Termination Event occurs after the Company first offers to Executive the right to negotiate with respect to a Complete Wak Asset Sale and prior to the parties entering into a definitive agreement with respect to such sale, any right of Executive to continue to negotiate with respect to such a sale as described in this Section 5.2 will immediately cease effective as of the date of the ROFO Termination Event.

5.2.1 The rights granted to Executive pursuant to this Section 5.2 are (a) subject to any rights of governmental authorities or other rights of third parties that exist as of the Effective Date, whether or not recorded in the real property records covering the Wak Retreat and whether or not such rights appear or would appear in a title search covering the Wak Retreat, (b) limited to such transaction proceeding on an "as is, where is" basis and without representation or warranty of any kind from the Company (or any Affiliate) with respect to a Complete Wak Asset Sale and (c) subject to Executive's assumption of all operating responsibilities to or for the Wak Retreat, including with respect to air transportation, equipment, furniture, utilities, and guide, housekeeping, and meal and beverage services. The parties will negotiate in good faith regarding which at-will employees of the Company who work at the Wak would be hired by Executive and which would be terminated or retained by the Company.

5.2.2 If the Company provides notice to Executive of the desire of the Company, GLIB or a Successor Entity to potentially enter into a Wak Sale (an **"Offer Notice"**), Executive will have ten **"Business Days"** (defined as any day other than a Saturday, a Sunday or any day on which banking institutions in Englewood, Colorado are required or authorized to be closed) following the date that the

Offer Notice is given by the Company to notify the Company (a “**Reply Notice**”) of whether Executive desires to enter into negotiations with the Company with respect to a Complete Wak Asset Sale, subject to the limitations set forth in Section 5.2.1. The Offer Notice shall specify any assets associated with the Wak Retreat that are desired to be retained by the Company or its Affiliates. Executive’s failure to timely give or make a Reply Notice will constitute Executive’s waiver of his right to enter into negotiations with respect to a Complete Wak Asset Sale and the Company’s obligations pursuant to this Section 5.2 shall terminate in their entirety. If Executive timely delivers an affirmative Reply Notice, the Company may nonetheless in its sole discretion decide that it does not desire to enter into negotiations with Executive at such time, in which case Executive’s rights under this Section 5.2 will continue in effect with respect to the next time that the Company, GLIB or a Successor Entity desires to effect a Wak Sale. If Executive timely delivers an affirmative Reply Notice and the Company determines in its sole discretion to enter into negotiations with Executive, the Company and Executive will negotiate in good faith for 60 days to enter into a definitive agreement with respect to a Complete Wak Asset Sale (which shall include a cash purchase price and the title being transferred on the basis described in Section 5.2.1 and Section 5.2.3) and to close on such sale (the “**Negotiation Period**”), time being of the essence. Executive will have the right during (and only during) the Negotiation Period to conduct any and all due diligence on the Wak Retreat that Executive deems necessary, and the Company will cooperate with Executive and provide such information as may be reasonably necessary. The Negotiation Period will be subject to reasonable extension in order to accommodate the receipt of any necessary third-party and/or governmental approvals necessary for closing of a Complete Wak Asset Sale, but in no case will the Negotiation Period extend past the 90th day following the date that the Reply Notice is received. Nothing contained herein shall require the Company to complete a sale of the Wak to Executive, and the Company reserves the right to sell the Wak to a third party following the completion of the 60 day negotiation period.

5.2.3 If the Company or the Wak Owner and Executive timely enter into an agreement with respect to a Complete Wak Asset Sale, then closing shall occur at the offices of the Company not later than the last day of the Negotiation Period. At such Closing, (a) the Company will cause title to the Wak Retreat to be transferred to Executive via quitclaim deed and will transfer title to any personal property included in the Complete Wak Asset Sale on an “as is, where is” basis, without representation or warranty of any kind and (b) Executive will deliver the cash purchase price to the Wak Owner or its designee by wire transfer of immediately available funds and shall assume all obligations of the Wak Owner and its Affiliates with respect to the Wak Retreat for the period from and after the closing date pursuant to an assumption agreement in form and substance reasonably satisfactory to the Company.

6. **Termination of Employment.**

6.1 **Termination as a Result of Death or Disability.**

6.1.1 **Standard Entitlements.** If Executive’s employment with the Company is terminated as a result of Executive’s death or Disability (as defined in the GCI Liberty, Inc. 2018 Omnibus Incentive Plan) prior to December 31, 2022, Executive will be entitled to the benefits described below in this Section 6.1.1 (collectively, the “**Standard Entitlements**”), subject in each case to Required Withholding:

- (a) any Base Salary earned with respect to the period prior to Executive’s date of termination but not yet paid;
- (b) reimbursement of any out-of-pocket business expenses incurred by Executive prior to the date of termination for which Executive is entitled to reimbursement pursuant to the Company’s then applicable expense reimbursement policies;

- (c) amounts or benefits to which Executive is entitled under any compensation, retirement or benefit plan or practice of Company at the time of termination in accordance with the terms of such plans or practices; and
- (d) any other amounts required to be paid by law.

6.1.2 Equity Awards. The impact of a termination of Executive's employment as a result of Executive's death or Disability on any equity awards issued to Executive by GLIB or a Successor Entity ("**Equity Awards**") that are not fully vested at the time of such termination of employment will be as specified in the award agreements evidencing such Equity Awards (the "**Equity Award Agreements**").

6.1.3 Post-Termination Benefits. If Executive's employment with the Company is terminated as a result of Executive's Disability prior to December 31, 2022, Executive will be entitled to the benefits described below in this Section 6.1.3 (collectively, the "**Post-Termination Benefits**"), subject in each case to Required Withholding and it being acknowledged by Executive that the receipt of certain benefits described below will be taxable to Executive. If Executive's employment with the Company is terminated as a result of Executive's death prior to December 31, 2022, neither Executive's estate nor any other person will be entitled to Post-Termination Benefits except, in the case of his estate, for those benefits specified in clauses (c) and (d) below.

- (a) Until the occurrence of a Wak Access Rights Termination Event, the Wak Access Rights;
- (b) Until the occurrence of a ROFO Termination Event, the Wak ROFO;
- (c) Until the earlier of the 90th day following Executive's death or the expiration of the ten-year period following the date of termination, reasonable office space at the Company's headquarters for Executive and his secretary (or for the benefit of his estate), including reasonable network and IT support for the personal use of a computer by Executive (or for the benefit of his estate);
- (d) Until the period that ends 90 days after Executive's death, access and use of the following email accounts by Executive or for the benefit of his estate: rduncan@gci.com; rduncan@gci.net; dbowman@gci.com; dbowman@gci.net;
- (e) For a period of 120 days following such termination, continued use of Company aircraft in accordance with the terms of the Aircraft Agreement (to the extent such agreement continues in effect during such period) with respect to 1/3 of the annual hours allowed under such agreement; and
- (f) Payment by the Company of health insurance premiums for Executive and his spouse until the earlier of Executive's death or the expiration of the ten-year period following the date of termination; provided that if Executive or his spouse are 65 or older the premiums that shall be paid for the person that is 65 or older are for Medicare coverage (Parts A, F and D) and reasonable supplemental insurance.

6.1.4 Sole Benefits. The Standard Entitlements and, in the case of Disability, the Post-Termination Benefits, together with any benefits payable to Executive under any separate plan maintained by the Company that is applicable to Executive upon Executive's death or termination of employment as a result of Executive's Disability, constitute the only payments and benefits Executive shall

be entitled to receive from the Company upon a termination of Executive's employment as a result of Executive's death or Disability, and in either such case neither the Company nor its Affiliates shall have any further liability or obligation to Executive under this Agreement or otherwise in respect of Executive's employment. Without limiting the foregoing, Executive will not be entitled to receive Severance Pay (as defined in Section 6.2.2(a)) upon any termination of Executive's employment as a result of Executive's death or Disability.

6.2 **Termination Without Cause by the Company or by Executive for Good Reason.**

6.2.1 **Standard Entitlements; Post-Termination Benefits.** If Executive's employment with the Company is terminated by the Company without Cause or by Executive for Good Reason prior to December 31, 2022, Executive will be entitled or eligible to receive the Standard Entitlements and the Post-Termination Benefits, subject in each case to Required Withholding.

6.2.2 **Severance Benefits.** If Executive's employment with the Company is terminated prior to December 31, 2022 by the Company without Cause or by Executive for Good Reason, Executive will also become eligible to receive the following, subject in each case to Required Withholding:

(a) Any amount determined by the Committee to be payable to Executive pursuant to the Target Cash IC Program for the calendar year prior to the year in which such termination of employment occurs if such amount has not already been paid to Executive prior to such termination, with any such amount to be paid in one lump-sum payment not later than March 15 of the calendar year immediately following the calendar year to which such amount relates (the cash amount payable under this clause (a), together with the cash amounts payable pursuant to clauses (b) and (c) below, "**Severance Pay**");

(b) an aggregate amount equal to "A" multiplied by "B," where "A" equals the sum of Executive's Annual Target Cash IC Amount and Annual Target Equity IC Amount for the calendar year in which such termination of employment occurs, and "B" is a fraction, the numerator of which is the number of calendar days that have elapsed during such calendar year through and including the date of termination of employment, and the denominator of which is 365, which amount is payable in one lump-sum payment not later than the 60th day following Executive's date of termination; and

(c) an amount equal to the sum of Executive's Base Salary, Annual Target Cash IC Amount and Annual Target Equity IC Amount for the calendar year in which such termination of employment occurs. The aggregate amount payable under this Section 6.2.2(c) will be divided into equal installments ("**Installments**") based on payment in accordance with the Company's regular payroll cycle over a twelve month period beginning on the first payroll date following Executive's date of termination (*i.e.*, the amount of each Installment will depend on the frequency of the Company's regular payroll cycle). The first payment pursuant to this Section 6.2.2(c) will be made on the first payroll date following the 60th day following Executive's date of termination and will include any Installments that would have been paid had payment of the Installments commenced on the first payroll date following termination of Executive's employment. The remaining Installments will be paid on successive payroll dates of the Company until paid in full.

For the avoidance of doubt, to avoid double counting, Annual Target Cash IC and/or Annual Target Equity IC will not be included in the calculations in clause (b) above for the calendar year in which a termination of employment occurs if following such termination Executive remains eligible

to receive the applicable incentive compensation pursuant to the terms of the program or award under which such incentive compensation was granted.

6.2.3 Equity Awards. The impact of a termination of Executive's employment by the Company without Cause or by Executive for Good Reason on any Equity Awards that are not fully vested at the time of such termination of employment will be as specified in the applicable Equity Award Agreements.

6.2.4 "Cause" means: (a) Executive commits a material breach of this Agreement; (b) Executive commits fraud or embezzlement or other serious misconduct against the Company or its Affiliates, including, without limitation, a serious or material violation of any Business Conduct Policies; (c) insubordination, dishonesty, incompetence, moral turpitude, or other misconduct of any kind by Executive or the refusal to perform Executive's duties and responsibilities for any reason other than illness or incapacity; (d) the entry by a judge of a conviction of Executive of any felony under or within the meaning of United States federal law or state law; or (e) the entry by a judge of a conviction of Executive of a misdemeanor which conviction relates to Executive's suitability for employment in Executive's then current position but excluding any conviction for any vehicular violation that is not a felony. Notwithstanding the foregoing, Executive's employment with the Company or a Subsidiary of the Company may not be terminated for Cause pursuant to clause (a), (b) or (c) above unless (i) the Company provides Executive with written notice of its decision to terminate Executive's employment for Cause specifying the particular act(s) or failure(s) to act serving as the basis for such decision; and (ii) if such act or failure to act is determined by the Company to be capable of being cured and such determination is set forth in such written notice, Executive fails to cure any such act or failure to act to the reasonable satisfaction of the Company within ten days after the Company delivering such notice to Executive.

6.2.5 "Good Reason" means the occurrence of any of the following without the consent of Executive: (a) Executive no longer reports to the Chief Executive Officer of GLIB or a Successor Entity; (b) a material reduction in Executive's Base Salary; (c) a material reduction in the Annual Target Cash IC Amount that Executive is eligible to receive for calendar year 2020, 2021 or 2022 during the Term from the amount specified for such year in Section 3.2 (it being acknowledged that payment of less than the full Annual Target Cash IC Amount for which Executive is eligible after application of applicable performance criteria does not constitute Good Reason); (d) a material reduction in the initial target grant value of Performance RSUs granted to Executive for calendar year 2020, 2021 or 2022 during the Term from the Annual Target Equity IC Amount for such year specified in Section 3.4 (it being acknowledged that vesting of less than the full amount of Performance RSUs granted following application of the applicable performance criteria does not constitute Good Reason); (e) a material diminution of Executive's responsibilities as in effect immediately prior to such diminution; or (f) the relocation of Executive's principal work location outside the Anchorage, Alaska metropolitan area. Notwithstanding the foregoing, Good Reason will not be deemed to exist unless Executive gives the Company written notice within 30 days following the occurrence of the event which Executive believes constitutes the basis for Good Reason, specifying the particular act or failure to act which Executive believes constitutes the basis for Good Reason and provides the Company with a reasonable opportunity of at least 30 days to cure such act or failure to act. For the avoidance of doubt, Executive's sole and exclusive remedy upon the occurrence of any of the events described in clauses (a) through (f) of this definition of Good Reason shall be to terminate this Agreement for Good Reason pursuant to this Section 6.2.

6.2.6 Sole Benefits. Executive acknowledges that the Standard Entitlements and the Post-Termination Benefits, the benefits under equity award agreements, and the Severance Pay constitute the only payments and benefits Executive shall be entitled or eligible to receive from the Company in the event of any termination of Executive's employment by the Company without Cause or by Executive for Good Reason, and neither the Company nor any of its Affiliates shall have any further liability

or obligation to Executive under this Agreement or otherwise in respect of Executive's employment. Without limiting the foregoing, Executive acknowledges that Executive is not entitled to severance under any other plan of the Company or its Affiliates, and that any Severance Pay will be reduced by the amount of any severance pay Executive may be entitled to under any other agreement or plan. Severance Pay does not entitle Executive to any other ongoing benefits from the Company or any other entity, and Executive will not be an employee of the Company for any purpose during any period that Executive is receiving Severance Pay.

6.3 Voluntary Termination by Executive without Good Reason.

6.3.1 Standard Entitlements. If Executive voluntarily terminates Executive's employment with the Company without Good Reason prior to December 31, 2022, Executive will be entitled to the Standard Entitlements, subject to Required Withholding.

6.3.2 Equity Awards. The impact of a voluntary termination of employment by Executive without Good Reason on any Equity Awards that are not fully vested at the time of such termination of employment will be as specified in the applicable Equity Award Agreements.

6.3.3 Sole Benefits. Executive acknowledges that the Standard Entitlements constitute the only payments and benefits Executive shall be entitled or eligible to receive from the Company in the event of any termination of Executive's employment by Executive without Good Reason prior to December 31, 2022, and neither the Company nor its Affiliates shall have any further liability or obligation to Executive under this Agreement or otherwise in respect of Executive's employment. Without limiting the foregoing, Executive will not be entitled to receive Severance Pay or any Post-Termination Benefits upon any voluntary termination by Executive of Executive's employment without Good Reason prior to December 31, 2022.

6.4 Termination for Cause.

6.4.1 Standard Entitlements. If the Company terminates Executive's employment for Cause, the Standard Entitlements (subject to Required Withholding) constitute the only payments and benefits Executive shall be entitled to receive from the Company and in such case neither the Company nor its Affiliates shall have any further liability or obligation to Executive under this Agreement or otherwise in respect of Executive's employment. Without limiting the foregoing, Executive will not be entitled to receive Severance Pay or any Post-Termination Benefits upon any termination of Executive's employment by the Company with Cause.

6.4.2 Equity Awards. The impact of a termination by the Company of Executive's employment for Cause on any Equity Awards that are not fully vested at the time of such termination of employment will be as specified in the applicable Equity Award Agreements.

6.5 Termination At or Following December 31, 2022.

6.5.1 Standard Entitlements; Calendar Year 2022 Target Cash IC Program. Upon a termination of Executive's employment by Executive or the Company at or following December 31, 2022 for any reason, including termination by the Company with or without Cause, voluntary termination by Executive with or without Good Reason, and termination by reason of death or Disability, subject to Required Withholding, (a) Executive will be entitled to the Standard Entitlements, and (b) Executive will continue to be eligible to receive any amount determined by the Committee to be payable to Executive pursuant to the Target Cash IC Program for calendar year 2022 if such amount has not already

been paid to Executive prior to such termination, with any such amount to be paid in one lump-sum payment not later than March 15, 2023.

6.5.2 Post-Termination Benefits. Upon a termination of Executive's employment by Executive or the Company at or following December 31, 2022 for any reason other than by the Company with Cause or by reason of Executive's death, Executive will be entitled to the Post-Termination Benefits, subject in each case to Required Withholding; provided, that in the case of a termination of Executive's employment at or following December 31, 2022 as a result of Executive's death, Executive's estate will be entitled to the Post-Termination Benefits set forth in clauses (c) and (d) of Section 6.1.3, subject to Required Withholding.

6.5.3 Equity Awards. The impact of a termination of Executive's employment by Executive or the Company at or following December 31, 2022 on any Equity Awards that are not fully vested at the time of such termination of employment will be as specified in the applicable Equity Award Agreements. The Equity Award Agreement for the Performance RSUs granted to Executive for calendar year 2022 will provide that if Executive's employment with the Company is terminated by the Company or Executive for any reason on or after December 31, 2022 but prior to the Committee having certified the portion, if any, of such Performance RSUs that will vest, such Performance RSUs will remain outstanding until the Committee completes such certification, which shall occur not later than March 30, 2023.

6.5.4 Sole Benefits. Executive acknowledges that the Standard Entitlements and, if the applicable termination following expiration of the Term is other than by the Company with Cause or by reason of Executive's death, the Post-Termination Benefits, constitute the only payments and benefits Executive shall be entitled or eligible to receive from the Company in the event of any termination of Executive's employment by Executive or the Company at or following December 31, 2022, and neither the Company nor its Affiliates shall have any further liability or obligation to Executive under this Agreement or otherwise in respect of Executive's employment. Without limiting the foregoing, Executive will not be entitled to receive Severance Pay upon any termination of Executive's employment by Executive or the Company at or following December 31, 2022.

6.6 Conditions for Receiving Severance Pay and Post-Termination Benefits. In order to receive Severance Pay and/or Post-Termination Benefits as specified above and/or any portion of the Target Cash IC Amount pursuant to Section 6.5.1, Executive must (in all cases) (i) execute and deliver to the Company a full general release of all claims related to Executive's employment by the Company and its Affiliates and the termination of such employment, prepared by and satisfactory to the Company (and any applicable revocation period applicable to such general release must have expired) within fifty-five (55) days following Executive's termination of employment, (ii) cooperate with the orderly transfer of Executive's duties as requested by the Company and (iii) return all property of the Company and its Affiliates by a date specified by the Company. If the Severance Pay becomes payable in accordance with Section 6.2 and this Section 6.6, an amount equal to one-twelfth of that portion of the Severance Pay that is payable in Installments as specified in Section 6.2.2(c) shall constitute consideration for delivery of the general release contemplated by this Section (the "**Release Consideration**").

6.7 Compliance with Section 7. Executive and the Company acknowledge that any Severance Pay owed to Executive pursuant to Section 6.2, other than that portion constituting the Release Consideration, and any Post-Termination Benefits to which Executive may become entitled, are part of the consideration for Executive's undertakings under Section 7 below and payment of such amount and provision of any such benefits is subject to Executive's continued compliance with such Section. If Executive violates the provisions of Section 7, then the Company will have no obligation to make any of the Installments that remain payable by the Company on or after the date of such violation except to the extent that an amount equal to the Release Consideration has not yet been paid, nor will Executive be

entitled to any further Post-Termination Benefits. The Company may also require Executive to repay to the Company all prior Severance Pay payments made to Executive by the Company other than the amount of the Release Consideration.

7. **Non-Compete/Non-Solicitation.**

7.1 **Non-Compete.** During the term of Executive's employment with the Company and for a period of twelve months following termination of Executive's employment by the Company or Executive for any reason, Executive shall not directly or indirectly engage in or assist any Competitive Business (other than on behalf of the Company and its subsidiaries during the term of Executive's employment) within the Territory (as defined below). The foregoing obligation not to engage in or assist any Competitive Business includes not acting in any of the following capacities for a Competitive Business: officer, director, owner, proprietor, employee, partner, investor or owner, consultant, advisor, agent, sales representative or other participant, in each case other than as the passive owner of less than a 5% interest in such Competitive Business. A "**Competitive Business**" shall mean a company or entity, or a division within a company or entity that is engaged in (a) the business of providing telecommunications services, wireless services, data services, video services, voice services, broadband services and/or managed services to any type of customer (e.g., to one or more of residential customers, businesses, governmental entities, educational and medical institutions etc.), or (b) any other business in which the Company or its subsidiaries become engaged during the term of Executive's employment. During the term of Executive's employment with the Company, Executive shall also refrain from performing the same or similar services as those performed for the Company and its subsidiaries for Executive's own benefit or for any other person or entity. "**Territory**" means the state of Alaska. Any conflict or potential conflict must be immediately reported to the Company by Executive, pursuant to then-current policies and procedures of the Company.

7.2 **Non-Solicitation.** Subject to the last sentence of Section 5.2.1, Executive further covenants that during the term of Executive's employment with the Company, and for a period of twelve months following termination of Executive's employment by the Company or Executive for any reason, Executive shall not either directly or indirectly (a) solicit, induce, or recruit any of the Company's or its respective subsidiaries' employees to leave their employment, or (b) solicit, divert or take away or attempt to solicit, divert or take away for a Competitive Business any of the Company's or its subsidiaries' clients, customers or vendors with whom Executive had contact while employed by the Company. Notwithstanding the foregoing, (i) upon termination of the existing aircraft lease between the Company or its Affiliate and Executive, Executive may recruit the Company's chief pilot and director of aircraft maintenance and (ii) if Executive acquires the Wak Retreat pursuant to exercise of the Wak ROFO, Executive may recruit the Company's employees who work solely at the Wak Retreat, such as guides and housekeeping and maintenance personnel. Executive acknowledges that the provisions of Section 7.1 and Section 7.2 are reasonable in scope and duration and are necessary for the protection of the Company's legitimate business interests.

8. **Nondisparagement; Confidentiality.**

8.1 During Executive's employment with the Company and at all times thereafter, regardless of the reason for the termination, Executive agrees not to make negative comments to third parties or otherwise disparage the Company or its Affiliates to third parties. The foregoing shall not be violated by truthful statements in response to legal process, required governmental testimony or filings, or administrative or arbitral proceedings (including administrative investigations or depositions in connection with such proceedings).

8.2 Executive will not, during or after the Term, without the prior express written consent of the Company, directly or indirectly use or divulge, disclose or make available or accessible any

Confidential Information (as defined below) to any person, firm, partnership, corporation, trust or any other entity or third party (other than when required to do so in good faith to perform Executive's duties and responsibilities under this Agreement or when (i) required to do so by a lawful order of a court of competent jurisdiction, any governmental authority or agency, or any recognized subpoena power, or (ii) necessary to prosecute Executive's rights against the Company or its Affiliates or to defend himself against any allegations). Executive will also proffer to the Company, no later than the effective date of any termination of Executive's employment with the Company for any reason, and without retaining any copies, notes or excerpts thereof, all memoranda, computer disks or other media, computer programs, diaries, notes, records, data, customer or client lists, marketing plans and strategies, and any other documents consisting of or containing Confidential Information that are in Executive's actual or constructive possession or which are subject to Executive's control at such time. For purposes of this Agreement, "**Confidential Information**" means all information respecting the business and activities of the Company or its Affiliates, including, without limitation, the clients, customers, suppliers, employees, consultants, computer or other files, projects, products, computer disks or other media, computer hardware or computer software programs, marketing plans, financial information, methodologies, know-how, processes, practices, approaches, projections, forecasts, formats, systems, trade secrets, data gathering methods and/or strategies of the Company or its Affiliates. Notwithstanding the immediately preceding sentence, Confidential Information will not include any information that is, or becomes, generally available to the public (unless such availability occurs as a result of Executive's breach of any of his obligations under this Section). If Executive is in breach of any of the provisions of this Section or if any such breach is threatened by Executive, in addition to and without limiting or waiving any other rights or remedies available to the Company at law or in equity, the Company shall be entitled to immediate injunctive relief in any court, domestic or foreign, having the capacity to grant such relief, without the necessity of posting a bond, to restrain any such breach or threatened breach and to enforce the provisions of this Section. Executive agrees that there is no adequate remedy at law for any such breach or threatened breach and, if any action or proceeding is brought seeking injunctive relief, Executive will not use as a defense thereto that there is an adequate remedy at law.

9. **Entire Agreement; Conflicts.** This Agreement, together with the Equity Award Agreements, the Aircraft Agreement, the Company's then-current employee handbook and the then-current Business Conduct Policies (the "**Related Employment Terms**"), constitute the entire agreement among Executive, the Company and the Company's affiliates relating to Executive's employment by the Company and aircraft usage or other aircraft rights, and supersedes all prior or simultaneous representations, discussions, negotiations, and agreements with respect to such matters, whether written or oral. To the extent any terms of this Agreement are expressly inconsistent with the terms or provisions of any Related Employment Terms, the terms of this Agreement shall control. Executive acknowledges that there are no agreements or arrangements, whether written or oral, in effect that would prevent Executive from rendering Executive's exclusive services to the Company during the term of this Agreement.

10. **Injunctive Relief.** Executive hereby agrees that if Executive breaches, threatens to breach or attempts to breach any of the covenants and agreements contained in Sections 7 or 8 of this Agreement, the Company shall be entitled to seek an order enjoining Executive from violating any of such provisions without the necessity of posting a bond or other security, and an order to that effect may be made pending any arbitration pursuant to Section 11, and said application for such injunctive relief shall be without prejudice to any other right of action which may be available to the Company and/or its successors or assigns by reason of a threatened, attempted or actual violation of such provisions by Executive. Executive does further agree and acknowledge that the remedy at law for any breach or threatened breach of Sections 7 or 8 of this Agreement and the covenants set forth therein may be inadequate, and accordingly, grants the Company the aforesaid right and entitlement to seek injunctive relief for any such breach or threatened breach of such provisions in addition to, and not in limitation of, any and all other remedies at law or in equity available to the Company.

11. **Arbitration.**

11.1 Subject to the Company's right to seek injunctive relief as described in Section 10 of this Agreement, Executive and the Company agree to resolve any and all disputes between them or between Executive and any Affiliate of the Company arising out of or in any way related to this Agreement (including the payment of severance and including any issues related to Executive's Equity Award Agreements or other award agreements), Executive's employment with the Company or the employment relationship, including any disputes upon termination, by final and binding arbitration before a single neutral arbitrator as the sole and exclusive remedy of the parties to the fullest extent permitted by law. The disputes subject to this Agreement include, but are not limited to, (i) all claims relating to the provision of services, employment and termination of employment, such as breach of contract, tort, whistleblower, discrimination, harassment, wrongful termination, demotion or discipline, failure to accommodate, denial of family and medical leave, compensation or benefits claims, constitutional claims and claims for violation of this Agreement or of any local, state or federal law, statute, regulation or ordinance or common law and (ii) all claims against any employee, officer, director, trustee, agent, benefit plan administrator, successor or assign of the Company or its Affiliates that arise out of or relate to their actions on behalf of the Company or its Affiliates. The parties understand that by entering into this Agreement, both parties are giving up their right to have any such dispute decided in a court of law, and if applicable, before a jury, and instead, agree to the use of binding arbitration pursuant to the procedures referenced in this Agreement. This agreement to arbitrate does not include claims that, by law, may not be subject to mandatory arbitration.

11.2 Either party may exercise the right to arbitrate by providing the other party with written notice of any and all claims forming the basis of such right in sufficient detail to inform the other party of the substance of such claims. In no event shall the request for arbitration be made after the date when institution of legal or equitable proceedings based on such claims would be barred by the applicable statute of limitations.

11.3 The arbitration will be conducted in accordance with the JAMS Employment Arbitration Rules and Procedures (the "**JAMS Rules**"), in effect on the date the written notice of claims is made (available online at www.jamsadr.com). The arbitration will be conducted and heard in the Anchorage, Alaska metropolitan area. The arbitration will be conducted by a single neutral arbitrator agreed upon by the parties, who shall be currently licensed to practice law. In the event the parties cannot agree on an arbitrator, the arbitrator shall be selected in accordance with the JAMS Rules. The parties are entitled to representation by an attorney or other representative of their choosing. Each party shall bear its own costs and attorneys' fees. The parties will share equally in all costs and fees of the arbitrator and JAMS, except that, to the extent required by law, the Company will pay all such costs and fees. Discovery shall be allowed and conducted pursuant to the then current JAMS Rules, provided that the parties shall be entitled to discovery sufficient to adequately arbitrate their claims and defenses. The arbitration proceedings and the results thereof shall be kept confidential unless required by law or court order or in connection with enforcement of the arbitrator's decision. The arbitrator shall have the power to award any and all legal and equitable relief authorized by the law applicable to the claim being asserted in the arbitration, as if the claim were brought in a court of law having competent jurisdiction. The award shall be issued in writing and state the essential findings and conclusions on which such award is based. The parties agree to abide by and perform any valid award rendered by the arbitrator, and judgment on the award may be entered in any court having jurisdiction thereof.

12. **Timing of Payments to Specified Employees Under Certain Circumstances.** With respect to any amount that becomes payable to Executive under this Agreement upon Executive's Separation from Service (as defined below) for any reason, the provisions of this Section 12 will apply, notwithstanding any other provision of this Agreement to the contrary. If the Company determines in good faith that Executive is a "specified employee" within the meaning of Section 409A of the Internal Revenue

Code, any Treasury regulations promulgated thereunder and any guidance issued by the Internal Revenue Service relating thereto (collectively, "**Code Section 409A**"), then to the extent required under Code Section 409A, payment of any amount that becomes payable to Executive upon Separation from Service (other than by reason of Executive's death) and that otherwise would be payable during the six-month period following Executive's Separation from Service shall be suspended until the lapse of such six-month period (or, if earlier, the date of Executive's death). A "**Separation from Service**" means Executive's separation from service, as defined in Code Section 409A, with the Company and all other entities with which the Company would be considered a single employer under Internal Revenue Code Section 414(b) or (c), applying the 80% threshold used in such Internal Revenue Code Sections or any Treasury regulations promulgated thereunder. Any payment suspended as provided in this Section 12, unadjusted for interest on such suspended payment, shall be paid to Executive in a single payment on the first Business Day following the end of such six-month period or within 30 days following Executive's death, as applicable, provided that Executive's death during such six-month period shall not cause the acceleration of any amount that otherwise would be payable on any date during such six-month period following the date of Executive's death.

13. **Compliance with 409A.** The provisions of this Agreement are intended to be exempt from or to satisfy the requirements of Code Section 409A and will be interpreted in a manner that is consistent with such intent.

Without limiting the generality of the foregoing, the Company and Executive agree that any entitlement to Severance Pay pursuant to this Agreement shall be conditioned upon such termination constituting a Separation from Service of Executive as defined in Section 12 of this Agreement. For purposes of Code Section 409A (including for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), Executive's right to receive any installment payments shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment shall at all times be considered a separate and distinct payment. The parties intend that, to the maximum extent possible, any Severance Pay shall qualify as a short-term deferral pursuant to Treasury Regulation § 1.409A-1(b)(4) or a separation payment pursuant to Treasury Regulation § 1.409A-1(b)(9). All expense reimbursements paid pursuant to this Agreement that are taxable income to Executive shall be paid no later than the end of the calendar year next following the calendar year in which Executive incurs such expense. With regard to any provision herein that provides for reimbursement of costs and expenses or provides for in-kind benefits, except as permitted by Section 409A, (a) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, (b) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year; and (c) any such reimbursement for expenses shall be made on or before the last day of Executive's taxable year following the taxable year in which the expense was incurred.

14. **Severability.** If any provision of this Agreement is declared by any court or arbitrator to be invalid or unenforceable, such declaration shall not affect the validity or enforceability of the remainder of this Agreement, which shall remain in full force and effect. In addition, the parties agree that a court (or arbitrator, as applicable) may, and is directed to, revise any such provision, including Section 7, so as to conform it to the limits of applicable law. The parties also agree that, in the absence of such judicial (or arbitral) intervention, they shall renegotiate any invalidated or unenforceable provision so as to accomplish its objective to the extent permitted by law.

15. **Expenses.** Except as otherwise agreed by the Company, each party will be responsible for payment of any attorneys' fees and other expenses incurred by such party in the negotiation and drafting of this Agreement.

16. **Notices.** Any notice provided for in this Agreement shall be in writing and shall be deemed to have been given or made (other than a notice of change of a party's notice address, which shall be deemed

to have been given or made only upon actual receipt) (a) when personally delivered, (b) one Business Day following deposit with a nationally recognized courier for overnight delivery, (c) three days following deposit for mailing by registered or certified mail, postage-paid and return receipt requested, (d) if delivered by facsimile transmission, upon confirmation of receipt of the transmission, and (e) if delivered by e-mail, upon confirmation by the recipient of receipt of the e-mail, in each case to the address of the other party set forth below or to such other address as may be specified by notice given in accordance with this Section 16:

16.1 If to the Company:

GCI Communication Corp.
2550 Denali Street, #1000
Anchorage, AK 99503-2781
Attention: General Counsel
Fax No.: *[separately provided]*
E-mail: *[separately provided]*

With a copy to:
GCI Liberty, Inc.
12300 Liberty Boulevard
Englewood, CO 80112
Attn: Chief Legal Officer
Fax: *[separately provided]*
E-mail: *[separately provided]*

16.2 If to Executive:

(i) while Executive is employed by the Company, to Executive's attention at the Company's address set forth above, and

(ii) following termination of Executive's employment, to Executive's attention, at Executive's most recent home address, fax number or e-mail address reflected in the Company's books and records.

17. **Waiver; Amendment; Terms.** No waiver by a party to this Agreement of a breach or default under this Agreement by the other party shall be considered valid unless in writing signed by such first party, and no such waiver shall be deemed a waiver of any subsequent breach or default of the same or any other nature. No modification, change or amendment of this Agreement or any of its provisions shall be valid unless in writing and signed by the party (in the case of the Company, by its General Counsel) against whom such claimed modification, change or amendment is sought to be enforced. The word include (and any variation) is used in this Agreement in an illustrative sense rather than a limiting sense.

18. **Assignment.** The Company and its successors and assigns may freely assign its rights and obligations under this Agreement, in whole or in part, including but not limited to any and all of the rights, titles, properties and interests acquired by the Company herein and hereunder, and this Agreement and all of its terms and provisions and all rights herein and hereunder shall inure to the benefit of the successors and assigns of the Company. Without the prior written consent of the Company, Executive shall not assign or transfer this Agreement or any right or obligation under this Agreement to any other person or entity.

19. **No Strict Construction; Headings.** The language used in this Agreement will be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict

construction will be applied against any party. The headings of the sections contained in this Agreement are for convenience only and will not be deemed to control or affect the meaning or construction of any provision of this Agreement.

20. **Survival.** Obligations of Executive and the Company existing as of the date of termination of employment or expiration of the Term that have not been fully performed or that by their nature would be intended to survive a termination or expiration will survive and continue in effect in accordance with their terms, including the provisions of Sections 7, 8 and 11.

21. **Counterparts.** This Agreement may be executed and delivered in separate counterparts (including by facsimile, "PDF" scanned image or other electronic means), each of which is deemed to be an original and all of which taken together constitute one and the same agreement. This Agreement will become effective only when counterparts have been executed and delivered by each of Executive and the Company to the other.

22. **Governing Law.** The terms of this Agreement shall be governed by and construed under and in accordance with the substantive laws of the State of Alaska without reference to the principles of conflicts of laws.

The Company and Executive have entered into this GCI Communication Corp. Executive Employment Agreement as of the Effective Date.

GCI COMMUNICATION CORP.

By: /s/ Rebecca Windt Pearson

Name: Rebecca Windt Pearson

Title: General Counsel, Senior Vice President,

Government Relations, and Chief Compliance Officer

EXECUTIVE

/s/ Ronald Duncan

Name: Ronald Duncan

EXHIBIT A

DEFINED TERMS

<u>Definition</u>	<u>Section Reference</u>
Affiliate	Section 3
Agreement	Introductory paragraph
Aircraft Agreement	Section 3.7
Annual Target Cash IC Amount	Section 3.2
Annual Target Equity IC Amount	Section 3.4
Base Salary	Section 3.1
Board	Section 1.2
Business Conduct Policies	Section 2
Business Day	Section 5.2.2
Cause	Section 6.2.4
Code Section 409A	Section 12
Committee	Section 3.1
Company	Introductory paragraph
Competitive Business	Section 7.1
Complete Wak Asset Sale	Section 5.2
Confidential Information	Section 8.2
Effective Date	Introductory paragraph
Equity Award Agreements	Section 6.1.2
Equity Awards	Section 6.1.2
Executive	Introductory paragraph
Fundamental Transaction	Section 4.1.1

<u>Definition</u>	<u>Section Reference</u>
GLIB	Section 1.2
Good Reason	Section 6.2.5
Installments	Section 6.2.2(c)
JAMS Rules	Section 11.3
Multi-Year RSU Award	Section 3.3
Negotiation Period	Section 5.2.2
Offer Notice	Section 5.2.2
Performance RSUs	Section 3.4
Position	Section 1.1
Post-Termination Benefits	Section 6.1.3
Related Employment Terms	Section 9
Release Consideration	Section 6.6
Reply Notice	Section 5.2.2
Required Withholding	Section 3
ROFO Termination Event	Section 5.1.1
Separation from Service	Section 12
Severance Pay	Section 6.2.2(a)
Standard Entitlements	Section 6.1.1
Successor Entity	Section 3.4
Target Cash IC Program	Section 3.2
Term	Section 1.1
Territory	Section 7.1
Total Target Cash Compensation	Section 3.1
Wak Access Rights	Section 4.2

<u>Definition</u>	<u>Section Reference</u>
Wak Access Rights Termination Event	Section 4.1.4
Wak Owner	Section 4.1.2
Wak Retreat	Section 4.1.3
Wak ROFO	Section 5.2
Wak Sale	Section 5.1.2

CERTIFICATION

I, Gregory B. Maffei, certify that:

1. I have reviewed this quarterly report on Form 10-Q of GCI Liberty, Inc.;
2. Based on my knowledge, this quarterly 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 quarterly report;
3. Based on my knowledge, the financial statements and other financial information included in this quarterly 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 quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and 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 quarterly 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 quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and
 - d) disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent 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.

Date: November 5, 2020

/s/ Gregory B. Maffei
Gregory B. Maffei
Chief Executive Officer and President

CERTIFICATION

I, Brian J. Wendling, certify that:

1. I have reviewed this quarterly report on Form 10-Q of GCI Liberty, Inc.;
2. Based on my knowledge, this quarterly 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 quarterly report;
3. Based on my knowledge, the financial statements and other financial information included in this quarterly 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 quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and 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 quarterly 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 quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and
 - d) disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent 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.

Date: November 5, 2020

/s/ Brian J. Wendling

Brian J. Wendling

Chief Accounting Officer and Principal Financial Officer

Certification

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of GCI Liberty, Inc., a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the period ended September 30, 2020 (the "Form 10-Q") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 5, 2020

/s/ Gregory B. Maffei

Gregory B. Maffei

Chief Executive Officer and President

Date: November 5, 2020

/s/ Brian J. Wendling

Brian J. Wendling

Chief Accounting Officer and Principal Financial Officer

The foregoing certification is being furnished solely pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code) and is not being filed as part of the Form 10-Q or as a separate disclosure document.
