

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

AMENDMENT NO. 2

TO

FORM S-3

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

GENERAL COMMUNICATION, INC.

(Exact name of registrant as specified in its charter)

<TABLE>

<S>	<C>
ALASKA (State or other jurisdiction of incorporation or organization)	92-0072737 (I.R.S. Employer Identification No.)

</TABLE>

2550 DENALI ST., SUITE 1000, ANCHORAGE, ALASKA 99503
(907) 265-5600

(Address, including zip code, and telephone number, including
area code, of registrant's principal executive offices)

JOHN M. LOWBER
GENERAL COMMUNICATION, INC.
2550 DENALI STREET, SUITE 1000
ANCHORAGE, ALASKA 99503-2781
(907) 265-5600

(Name, address, including zip code, and telephone number,
including area code, of agent for service)

COPIES TO:

<TABLE>

<S>	<C>
CHARLES Y. TANABE, ESQ. Sherman & Howard L.L.C. First Interstate Tower North 633 Seventeenth Street, Suite 3000 Denver, Colorado 80202 (303) 299-8108	JOEL M. SIMON, ESQ. Paul, Hastings, Janofsky & Walker LLP 399 Park Avenue 31st Floor New York, New York 10022 (212) 318-6200

</TABLE>

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC:
AS SOON AS PRACTICABLE AFTER THE EFFECTIVE DATE OF THIS REGISTRATION STATEMENT.

If the only securities being registered on this Form are being offered
pursuant to dividend or interest reinvestment plans, please check the following
box. / /

If any of the securities being registered on this Form are to be offered on
a delayed or continuous basis pursuant to Rule 415 under the Securities Act of
1933, other than securities offered only in connection with dividend or interest
reinvestment plans, check the following box. / /

If this Form is filed to register additional securities for an offering
pursuant to Rule 462(b) under the Securities Act, please check the following box

and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

IF DELIVERY OF THE PROSPECTUS IS EXPECTED TO BE MADE PURSUANT TO RULE 434, PLEASE CHECK THE FOLLOWING BOX. / /

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

All of the expenses of the offering of the Class A Common Stock are to be borne by the Company. These expenses will include the following, subject to future contingencies:

<TABLE> <S>	<C>
Accounting Fees*.....	\$
Costs of Printing*.....	\$
Legal Fees*.....	\$
Registration/Filing Fees	
Securities Act of 1933.....	\$ 32,611.65
Blue Sky Compliance*.....	\$
NASD Filing Fee.....	\$ 11,261.84
Nasdaq Application Fee.....	\$
Transfer Agent and Registrar Fees.....	\$
Miscellaneous*.....	\$

TOTAL	\$

</TABLE>

* Estimates

The Company intends to pay all expenses of registration, issuance and distribution, excluding Underwriters' discounts and commissions, with respect to the shares being sold by the Selling Shareholders.

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

The Company's Restated Articles of Incorporation provide for the indemnification to the full extent permitted by, and in the manner permissible under, the laws of the State of Alaska and any other applicable laws, of any person who is made or threatened to be made a party to an action or proceeding, whether criminal, civil, administrative, or investigative, other than an action by or in the right of the Company, by reason of the fact that he or she is or was a director, officer, employee or agent of the Company or is or was serving at the request of the Company as an officer, director, employee or agent of another corporation, partnership, joint venture, trust or other enterprise. The Restated Articles of Incorporation provide that these requirements are deemed to be a contract between the Company and each director and officer who serves in such capacity at any time while those requirements of the Articles are in effect. The Company had not as of the date of this Prospectus entered into any express agreement with its officers and directors setting forth these terms of indemnification. In addition to providing indemnification for non derivative actions that is similar to the indemnification in the Restated Articles, the Company's revised Bylaws further provide for indemnification of any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Company to procure a judgment in its favor by reason of or arising from the fact that the person is or was a director, officer, employee, or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee, or agent of another enterprise.

The Bylaws provide that, unless otherwise ordered by a court, indemnification will only be made by the Company upon a determination by (i) a majority of the disinterested directors of the Board, (ii) a majority vote of shareholders or (iii) independent legal counsel that such indemnification is proper because the person to be indemnified met the applicable standard of conduct. The Bylaws also provide, in accordance with Alaska law, that indemnification will not be made by the Company in respect of any

II-1

claim, issue, or matter as to which the person has been adjudged to be liable for negligence or misconduct in the performance of the person's duty to the Company, except to the extent that the court in which the action or suit was brought determines upon application that, despite the adjudication of liability, in view of all circumstances of the case, the person is fairly and reasonably entitled to indemnification for such expenses that the court considers proper. The Bylaws also provide that to the extent a director, officer, employee, or agent of the Company has been successful in his or her defense of an action for which he or she is entitled to indemnification, that person will be indemnified against expenses and attorney fees actually and reasonably incurred in connection with the defense. The Bylaws also provide that the Company may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Company or who is or was serving at the request of the Company as a director, officer, employee or agent of another enterprise against any liability asserted against that person and incurred by that person in any such capacity, or arising out of that status, whether or not the Company would have the power to indemnify that person against such liability under provisions of the Bylaws.

ITEM 16. EXHIBITS.

See Exhibit Index and Financial Statement Schedules at the end of this Registration Statement.

ITEM 17. UNDERTAKINGS.

(1) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(2) The undersigned Registrant hereby undertakes insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(3) The undersigned registrant hereby undertakes that:

(a) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(b) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

II-2
SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the

requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized in the Municipality of Anchorage, State of Alaska, on July 21, 1997.

<TABLE>
<S>

<C> <C>
GENERAL COMMUNICATION, INC.
(Registrant)

By: /s/ JOHN M. LOWBER

John M. Lowber
SENIOR VICE PRESIDENT

</TABLE>

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

<TABLE>
<CAPTION>

NAME	TITLE	DATE
* ----- Ronald A. Duncan	<S> Director, Chief Executive Officer and President (Principal Executive Officer)	<C> July 21, 1997
/s/ JOHN M. LOWBER ----- John M. Lowber	Chief Financial Officer (Principal Financial Officer)	July 21, 1997
* ----- Alfred J. Walker	Chief Accounting Officer (Principal Accounting Officer)	July 21, 1997
* ----- Carter F. Page	Chairman of the Board and Director	July 21, 1997
* ----- Robert M. Walp	Vice Chairman of the Board and Director	July 21, 1997
* ----- Donne F. Fisher	Director	July 21, 1997
* ----- John W. Gerdelman	Director	July 21, 1997
* ----- Larry E. Romrell	Director	July 21, 1997
* ----- James M. Schneider	Director	July 21, 1997
* ----- Jeffery C. Garvey	Director	July 21, 1997
* ----- William P. Glasgow	Director	July 21, 1997
* ----- Donald Lynch	Director	July 21, 1997

</TABLE>

* By: /s/ John M. Lowber, Attorney-in-Fact

YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994

<TABLE>
<CAPTION>

BALANCE AT DESCRIPTION END OF YEAR	BALANCE AT BEGINNING OF YEAR	ADDITIONS		DEDUCTIONS	
		CHARGED TO PROFIT AND LOSS	OTHER	WRITE-OFFS NET OF RECOVERIES	
(AMOUNTS IN THOUSANDS)					
<S>	<C>	<C>	<C>	<C>	<C>
Year ended December 31, 1996:					
Allowance for doubtful receivables.....	\$ 295	1,736	354(1)	1,788	
597	-----	-----	---	-----	
---	-----	-----	---	-----	

Year ended December 31, 1995:					
Allowance for doubtful receivables.....	\$ 409	1,459	--	1,573	
295	-----	-----	---	-----	
---	-----	-----	---	-----	

Year ended December 31, 1994:					
Allowance for doubtful receivables.....	\$ 721	829	--	1,141	
409	-----	-----	---	-----	
---	-----	-----	---	-----	

</TABLE>

(1) Allowance for doubtful receivables acquired pursuant to the Cable Company acquisitions described in footnote (2) to the Company's consolidated financial statements.

S-1
EXHIBIT INDEX

<TABLE>
<CAPTION>

EXHIBIT NO.	DESCRIPTION	
<S>	<C>	<C>
1.1	Underwriting Agreement**	
3.1	Restated Articles of Incorporation of the Company(1)	
3.2	Bylaws of the Company(1)	
4.1	Form of Indenture relating to the Notes (including Form of Note)**	
5.1	Opinion of Wohlforth, Argetsinger, Johnson & Brecht, A Professional Corporation**	
9.1	Voting Agreement dated October 31, 1996, among Prime II Management L.P., as agent for the Voting Prime Sellers, MCI Telecommunications Corporation, Ronald A. Duncan, Robert M. Walp and TCI GCI, Inc.(12)	
10.1	Credit Agreement	
10.2	Registration Rights Agreement, dated as of January 18, 1991, between General Communication, Inc. and WestMarc Communications, Inc.(2)	
10.3	Employee stock option agreements issued to individuals Spradling, O'Hara, Strid, Behnke, Lewkowski and Snyder(3)	
10.4	Registration Rights Agreement, dated October 31, 1996, between General Communication, Inc. and the Prime Sellers(12)	
10.5	Registration Rights Agreement, dated October 31, 1996, between General Communication, Inc., and Alaskan Cable Network/Fairbanks, Inc. ("ACNFI"), Alaskan Cable Network/Juneau, Inc. ("ACNJI"), Alaskan Cable Network/ Ketchikan-Sitka, Inc. ("ACNCSI") and Jack Kent Cooke, Inc.(12)	
10.6	Registration Rights Agreement, dated October 31, 1996, between General Communication, Inc., and the owners of Alaska Cablevision, Inc.(12)	
10.7	Lease agreement between GCI Communication Services, Inc. and National Bank of Alaska Leasing Corporation dated January 15, 1992(4)	
10.8	Westin Building Lease(5)	
10.9	Duncan and Hughes Deferred Bonus Agreements (6)	
10.10	Compensation Agreement between General Communication, Inc. and William C. Behnke dated January 1, 1997**	
10.11	Order approving Application for a Certificate of Public Convenience and Necessity to operate as a Telecommunications (Intrastate Interexchange Carrier) Public Utility within Alaska(3)	
10.12	1986 Stock Option Plan, as amended(14)	

10.13 Loan agreement between National Bank of Alaska and GCI Leasing Co., Inc. dated December 31, 1992(4)

10.14 Pledge and Security Agreement between National Bank of Alaska and GCI Communication Services, Inc. dated December 31, 1992(4)

10.15 Lease Agreement between MCI Telecommunications Corporation and GCI Leasing Co., Inc. dated December 31, 1992(4)

10.16 Sublease Agreement between MCI Telecommunications Corporation and General Communication, Inc. dated December 31, 1992(4)

10.17 Assistance Agreement between MCI Telecommunications Corporation and GCI Leasing Co., Inc. dated December 31, 1992(4)

10.18 Letter of intent between MCI Telecommunications Corporation and General Communication, Inc. dated December 31, 1992(7)

10.19 MCI Carrier Agreement between MCI Telecommunications Corporation and General Communication, Inc. dated January 1, 1993(8)

</TABLE>

<TABLE>

<S>	<C>	<C>
10.20	Contract for Alaska Access Services Agreement between MCI Telecommunications Corporation and General Communication, Inc. dated January 1, 1993(8)	
10.21	Promissory Note Agreement between General Communication, Inc. and Ronald A. Duncan, dated August 13, 1993(9)	
10.22	Deferred Compensation Agreement between General Communication, Inc. and Ronald A. Duncan, dated August 13, 1993(9)	
10.23	Pledge Agreement between General Communication, Inc. and Ronald A. Duncan, dated August 13, 1993(9)	
10.24	Revised Qualified Employee Stock Purchase Plan of General Communication, Inc.(10)	
10.25	Summary Plan Description pertaining to the Revised Qualified Employee Stock Purchase Plan of General Communication, Inc.(10)	
10.26	The GCI Special Non-Qualified Deferred Compensation Plan(11)	
10.27	Transponder Purchase Agreement for Galaxy X between Hughes Communications Galaxy, Inc. and GCI Communication Corp.(11)	
10.28	Equipment Purchase Agreement between GCI Communication Corporation and Scientific-Atlanta, Inc.(11)	
10.29	Management Agreement, between Prime II Management, L.P., and GCI Cable, Inc., dated October 31, 1996(12)	
10.30	Third Amended and Restated Credit Agreement, dated as of October 31, 1996, between GCI Communication Corp., and NationsBank of Texas, N.A.(13)	
10.31	Loan Agreement among GCI Cable, Inc., as Borrower; Toronto-Dominion (Texas), Inc., et al., as of October 31, 1996(13)	
10.32	Licenses(5) 214 Authorization International Resale Authorization Digital Electronic Message Service Authorization Fairbanks Earth Station License Fairbanks (Esro) Construction Permit for P-T-P Microwave Service Fairbanks (Polaris) Construction Permit for P-T-P Microwave Service Anchorage Earth Station Construction Permit License for Eagle River P-T-P Microwave Service License for Juneau Earth Station Issaquah Earth Station Construction Permit	
10.33	ATU Interconnection Agreement between GCI Communication Corp. and Municipality of Anchorage executed January 15, 1997**	
10.34	First Amendment to Third Amended and Restated Credit Agreement entered into among GCI Communication Corp., NationsBank of Texas, N.A., Toronto Dominion (Texas), Inc., Credit Lyonnais New York Branch, and National Bank of Alaska(15)	
10.35	Second Amendment to the Third Amended and Restated Credit Agreement entered into among GCI Communication Corp., NationsBank of Texas, N.A., Toronto Dominion (Texas), Inc., Credit Lyonnais New York Branch, and NationsBank of Alaska.*	
10.36	Securities Purchase and Sale Agreement, dated May 2, 1996, among General Communication, Inc., and the Prime Sellers(12)	
10.37	Agreement and Plan of Merger of ACI with and into GCI Cable, Inc., dated October 31, 1996(12)	

</TABLE>

<TABLE>

<S>	<C>	<C>
10.38	Certificate of Merger Merging ACI into GCI Cable, Inc. (filed in Delaware on October 31, 1996) (12)	
10.39	Articles of Merger between GCI Cable, Inc., and ACI (filed in Delaware on October 31, 1996) (12)	
10.40	Agreement and Plan of Merger of PCFI with and into GCI Cable, Inc., dated October 31, 1996(12)	
10.41	Certificate of Merger Merging PCFI into GCI Cable, Inc. (filed in Delaware on October 31, 1996) (12)	
10.42	Articles of Merger between GCI Cable and PCFI (for filing in Alaska) (12)	
10.43	Asset Purchase Agreement, dated April 15, 1996, among General Communication, Inc., ACNFI, ACNJI and ACNKSI(12)	
10.44	Asset Purchase Agreement, dated May 10, 1996, among General Communication, Inc., and Alaska Cablevision, Inc.(12)	
10.45	Asset Purchase Agreement, dated May 10, 1996, among General Communication, Inc., and McCaw/Rock Homer Cable System, J.V.(12)	
10.46	Asset Purchase Agreement, dated May 10, 1996, between General Communication, Inc., and McCaw/Rock Seward Cable System, J.V.(12)	

10.47 Amendment No. 1 to Securities Purchase and Sale Agreement, dated October 31, 1996, among
 General Communication, Inc., and the Prime Sellers Agent(13)
 10.48 First Amendment to Asset Purchase Agreement, dated October 30, 1996, among General
 Communication, Inc., ACNFI, ACNJI and ACNKSI(13)
 10.49 Amendment to Revised Qualified Employee Stock Purchase Plan of General Communication, Inc.**
 10.50 Form of Agreement Waiving Right to Exercise Stock Options**
 10.51 Order Approving Arbitrated Interconnection Agreement as Resolved and Modified by Order
 U-96-89(8) dated January 14, 1997**
 10.52 First Amendment to Loan Agreement among GCI Cable, Inc., as Borrower, and Toronto-Dominion
 (Texas), Inc., et al., as of October 31, 1996*
 10.53 Amendment to the MCI Carrier Agreement executed April 20, 1994**
 10.54 Amendment No. 1 to MCI Carrier Agreement executed July 26, 1994(16)
 10.55 MCI Carrier Addendum--MCI 800 DAL Service effective February 1, 1994(16)
 10.56 Third Amendment to MCI Carrier Agreement dated as of October 1, 1994(16)
 10.57 Fourth Amendment to MCI Carrier Agreement dated as of September 25, 1995(16)
 10.58 Fifth Amendment to the MCI Carrier Agreement executed April 19, 1996**
 10.59 Sixth Amendment to MCI Carrier Agreement dated as of March 1, 1996(16)
 10.60 Seventh Amendment to MCI Carrier Agreement dated November 27, 1996
 10.61 First Amendment to Contract for Alaska Access Services between General Communication, Inc. and
 MCI Telecommunications Corporation dated April 1, 1996
 10.62 Letter of Intent between General Communication, Inc. and MCI Telecorp dated August 6, 1993**
 10.63 Service Mark License Agreement between MCI Communications Corporation and General
 Communication, Inc. dated April 13, 1994**
 10.64 Radio Station Authorization (Personal Communications Service License), Issue Date June 23,
 1995**
 10.65 Framework Agreement between National Bank of Alaska (NBA) and General Communication, Inc. dated
 October 31, 1995(17)
 10.66 1997 Call-Off Contract between National Bank of Alaska (NBA) and General Communication, Inc.
 (GCI) dated November 1, 1996

</TABLE>

<TABLE>

<S> <C> <C>

10.67 Contract No. 92MR067A Telecommunications Services between BP Exploration (Alaska), Inc. and GCI
 Network Systems dated April 1, 1992
 10.70 Amendment No. 03 to BP Exploration (Alaska) Inc. Contract No. 92MR067A effective August 1, 1996
 10.71 Lease Agreement dated September 30, 1991 between RDB Company and General Communication, Inc.(3)
 10.72 Certificate of Public Convenience and Necessity No. 436 for Telecommunications Service (Relay
 Services)**
 10.73 Order Approving Transfer Upon Closing, Subject to Conditions, and Requiring Filings dated
 September 23, 1996**
 10.74 Order Granting Extension of Time and Clarifying Order dated October 21, 1996**
 10.75 Contract for Alaska Access Services among General Communication, Inc. and GCI Communication
 Corp., and Sprint Communications Company L.P. dated June 1, 1993
 10.76 First Amendment to Contract for Alaska Access Services between General Communication, Inc. and
 Sprint Communications Company L.P. dated as of August 7, 1996
 10.77 Employment and Deferred Compensation Agreement between General Communication, Inc. and John M.
 Lowber dated July 1982**
 10.78 Deferred Compensation Agreement between GCI Communication Corp. and Dana L. Tindall dated
 August 15, 1994**
 10.79 Transponder Lease Agreement between General Communication Incorporated and Hughes
 Communications Satellite Services, Inc., executed August 8, 1989(9)
 10.80 Addendum to Galaxy X Transponder Purchase Agreement between GCI Communication Corp. and Hughes
 Communications Galaxy, Inc. dated August 24, 1995**
 10.81 Order Approving Application, Subject to Conditions; Requiring Filing; and Approving Proposed
 Tariff on an Inception Basis, dated February 4, 1997**
 10.82 Resale Solutions Switched Services Agreement between Sprint Communications Company L.P. and GCI
 Communications, Inc. dated May 31, 1996
 10.83 Commitment Letter from Credit Lyonnais New York Branch, NationsBank of Texas, N.A. and TD
 Securities (USA) Inc. for Fiber Facility dated as of July 3, 1997**
 10.84 Commitment Letter from NationsBank for Credit Facility dated July 2, 1997**
 11.1 Statement Re Computation of Earnings Per Share**
 21.1 Subsidiaries of the Company**
 23.1 Consent of KPMG Peat Marwick LLP (Accountant for Company)**
 23.2 Consent of Ernst & Young LLP (Accountants for Prime for 1994 and 1995 and accountants for
 Alaskan Cable for 1993, 1994 and 1995**
 23.3 Consent of Carl & Carlsen (Accountant for Alaska Cablevision)**
 23.4 Consent of Wohlforth, Argetsinger, Johnson & Brecht, A Professional Corporation (included as
 part of Exhibit 5.1)**
 23.5 Consent of Sherman & Howard L.L.C.**
 24.1 Power of Attorney (included with the signature page to the Registration Statement)**
 99.1 Additional Exhibits
 The Articles of Incorporation of GCI Communication Corp.(2)
 The By-laws of GCI Communication Corp.(2)
 The Articles of Incorporation of GCI Communication Services, Inc.(4)
 The By-laws of GCI Communication Services, Inc.(4)

</TABLE>

<TABLE>

<S> <C> <C>

99.2 The By-laws of GCI Leasing Co., Inc.(4)
 The Articles of Incorporation of GCI Leasing Co., Inc.(4)
 The By-Laws of GCI Cable, Inc.(14)

99.3 The Articles of Incorporation of GCI Cable, Inc.(14)
99.4 The By-Laws of GCI Cable / Fairbanks, Inc.(14)
99.5 The Articles of Incorporation of GCI Cable / Fairbanks, Inc.(14)
99.6 The By-laws of GCI Cable / Juneau, Inc.(14)
99.7 The Articles of Incorporation of GCI Cable / Juneau, Inc.(14)
99.8 The By-laws of GCI Cable Holdings, Inc.(14)
99.9 The Articles of Incorporation of GCI Cable Holdings, Inc.(14)
99.10 The By-laws of GCI, Inc.**
99.11 The Articles of Incorporation of GCI, Inc.**
99.12 The By-laws of GCI Holdings, Inc.**
99.13 The Articles of Incorporation of GCI Holdings, Inc.**
</TABLE>

- -----

* To be filed by amendment.

** Previously filed.

- (1) Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 1994.
- (2) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1990.
- (3) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1991.
- (4) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1992.
- (5) Incorporated by reference to the Company's Registration Statement on Form 10 (File No. 0-15279), mailed to the Securities and Exchange commission on December 30, 1986.
- (6) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1989.
- (7) Incorporated by reference to the Company's Current Report on Form 8-K dated January 13, 1993.
- (8) Incorporated by reference to the Company's Current Report on Form 8-K dated June 4, 1993.
- (9) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1993.
- (10) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1994.
- (11) Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 1995.
- (12) Incorporated by reference to the Company's Annual Report on Form S-4 Registration Statement dated October 4, 1996.
- (13) Incorporated by reference to the Company's Current Report on Form 8-K dated November 13, 1996.
- (14) Incorporated by reference to the Company's Annual Report on Form 10K for the year ended December 31, 1996.
- (15) Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 1997.
- (16) Incorporated by reference to the Company's Current Report on Form 8-K dated March 14, 1996, filed March 28, 1996.
- (17) Incorporated by reference to the Company's Amendment to Annual Report dated December 31, 1995 on Form 10-K/A as amended on August 6, 1996.

\$375,000,000

CREDIT AGREEMENT

Dated as of _____, 1997

BETWEEN

GCI HOLDINGS, INC.

and

NATIONSBANK OF TEXAS, N.A.
As Administrative Agent

CREDIT LYONNAIS NEW YORK BRANCH
As Documentation Agent

TORONTO DOMINION (USA), INC.
As Syndication Agent

TABLE OF CONTENTS

ARTICLE I. DEFINITIONS

1.01. DEFINITIONS.....	1
1.02. ACCOUNTING AND OTHER TERMS.....	24

ARTICLE II. AMOUNTS AND TERMS OF ADVANCES

2.01. THE FACILITIES.....	25
2.02. MAKING ADVANCES UNDER THE REVOLVING LOAN AND THE REVOLVER/TERM LOAN....	25
2.03. EVIDENCE OF INDEBTEDNESS.....	27
2.04. REDUCTION OF COMMITMENTS.....	28
2.05. PREPAYMENTS.....	32
2.06. MANDATORY REPAYMENT.....	35
2.07. INTEREST.....	36
2.08. DEFAULT INTEREST.....	37
2.09. CONTINUATION AND CONVERSION ELECTIONS.....	37
2.10. FEES.....	38
2.11. FUNDING LOSSES.....	39
2.12. COMPUTATIONS AND MANNER OF PAYMENTS.....	39
2.13. YIELD PROTECTION.....	40
2.14. USE OF PROCEEDS.....	42
2.15. COLLATERAL AND COLLATERAL CALL.....	43
2.16. INCREASE OF REVOLVING COMMITMENT.....	43

ARTICLE III. LETTERS OF CREDIT

3.01. ISSUANCE OF LETTERS OF CREDIT.....	45
3.02. LETTERS OF CREDIT FEES.....	45
3.03. REIMBURSEMENT OBLIGATIONS.....	45
3.04. LENDERS' OBLIGATIONS.....	47
3.05. ADMINISTRATIVE AGENT'S OBLIGATIONS.....	47

ARTICLE IV. CONDITIONS PRECEDENT

4.01. CONDITIONS PRECEDENT TO THE INITIAL ADVANCE.....	48
4.02. CONDITIONS PRECEDENT TO ALL ADVANCES AND LETTERS OF CREDIT.....	50

ARTICLE V. REPRESENTATIONS AND WARRANTIES

5.01. ORGANIZATION AND QUALIFICATION.....	51
5.02. DUE AUTHORIZATION; VALIDITY.....	52
5.03. CONFLICTING AGREEMENTS AND OTHER MATTERS.....	52
5.04. FINANCIAL STATEMENTS.....	52
5.05. LITIGATION.....	53
5.06. COMPLIANCE WITH LAWS REGULATING THE INCURRENCE OF DEBT.....	53
5.07. LICENSES, TITLE TO PROPERTIES, AND RELATED MATTERS.....	53
5.08. OUTSTANDING DEBT AND LIENS.....	54
5.09. TAXES.....	54
5.10. ERISA.....	54
5.11. ENVIRONMENTAL LAWS.....	55
5.12. DISCLOSURE.....	56
5.13. INVESTMENTS; RESTRICTED SUBSIDIARIES.....	56
5.14. CERTAIN FEES.....	56
5.15. INTELLECTUAL PROPERTY.....	56
5.16. SURVIVAL OF REPRESENTATIONS AND WARRANTIES, ETC.....	57

ARTICLE VI. AFFIRMATIVE COVENANTS

6.01. COMPLIANCE WITH LAWS AND PAYMENT OF DEBT.....	57
6.02. INSURANCE.....	57
6.03. INSPECTION RIGHTS.....	58
6.04. RECORDS AND BOOKS OF ACCOUNT; CHANGES IN GAAP.....	58
6.05. REPORTING REQUIREMENTS.....	58
6.06. USE OF PROCEEDS.....	60
6.07. MAINTENANCE OF EXISTENCE AND ASSETS.....	61
6.08. PAYMENT OF TAXES.....	61
6.09. INDEMNITY.....	61
6.10. INTEREST RATE HEDGING.....	62
6.11. MANAGEMENT FEES PAID AND EARNED.....	62
6.12. AUTHORIZATIONS AND MATERIAL AGREEMENTS.....	62
6.13. FURTHER ASSURANCES.....	63
6.14. SUBSIDIARIES AND OTHER OBLIGORS.....	63

ARTICLE VII. NEGATIVE COVENANTS

7.01. FINANCIAL COVENANTS.....	63
7.02. DEBT.....	65
7.03. CONTINGENT LIABILITIES.....	65
7.04. LIENS.....	65
7.05. DISPOSITIONS OF ASSETS.....	65
7.06. DISTRIBUTIONS AND RESTRICTED PAYMENTS.....	66
7.07. MERGER; CONSOLIDATION.....	66
7.08. BUSINESS.....	66
7.09. TRANSACTIONS WITH AFFILIATES.....	66
7.10. LOANS AND INVESTMENTS.....	66
7.11. FISCAL YEAR AND ACCOUNTING METHOD.....	67
7.12. ISSUANCE OF PARTNERSHIP INTEREST AND CAPITAL STOCK; AMENDMENT OF ARTICLES AND BY-LAWS.....	67

ii

7.13. CHANGE OF OWNERSHIP.....	67
7.14. SALE AND LEASEBACK.....	67
7.15. COMPLIANCE WITH ERISA.....	67
7.16. RATE SWAP EXPOSURE.....	68
7.17. RESTRICTED SUBSIDIARIES AND OTHER OBLIGORS.....	68
7.18. AMENDMENTS TO MATERIAL AGREEMENTS.....	68
7.19. LIMITATION ON RESTRICTIVE AGREEMENTS.....	68

ARTICLE VIII. EVENTS OF DEFAULT

8.01. EVENTS OF DEFAULT.....	69
8.02. REMEDIES UPON DEFAULT.....	73
8.03. CUMULATIVE RIGHTS.....	74
8.04. WAIVERS.....	74
8.05. PERFORMANCE BY ADMINISTRATIVE AGENT OR ANY LENDER.....	74
8.06. EXPENDITURES.....	74
8.07. CONTROL.....	74

ARTICLE IX. THE ADMINISTRATIVE AGENT

9.01. AUTHORIZATION AND ACTION.....	75
9.02. ADMINISTRATIVE AGENT'S RELIANCE, ETC.....	75
9.03. NATIONSBANK OF TEXAS, NATIONAL ASSOCIATION AND AFFILIATES.....	75
9.04. LENDER CREDIT DECISION.....	76
9.05. INDEMNIFICATION BY LENDERS.....	76

ARTICLE X. MISCELLANEOUS

10.01. AMENDMENTS AND WAIVERS.....77
10.02. NOTICES.....77
10.03. PARTIES IN INTEREST.....79
10.04. ASSIGNMENTS AND PARTICIPATIONS.....80
10.05. SHARING OF PAYMENTS.....81
10.06. RIGHT OF SET-OFF.....81
10.07. COSTS, EXPENSES, AND TAXES.....81
10.08. INDEMNIFICATION BY THE BORROWER.....82
10.09. RATE PROVISION.....82
10.10. SEVERABILITY.....83
10.11. EXCEPTIONS TO COVENANTS.....83
10.12. COUNTERPARTS.....83
10.13. GOVERNING LAW; WAIVER OF JURY TRIAL.....83
10.14. ENTIRE AGREEMENT.....84

iii

TABLE OF SCHEDULES AND EXHIBITS

SCHEDULES

- Schedule 1.01 Systems
[Schedule 1.02 Prior Stock Lien on Capital Stock of GCI Leasing]
Schedule 1.03 Issuance of Capital Stock related to the Cable Acquisition Transactions
Schedule 5.01 Organization and Qualification of the GCI Entities
Schedule 5.03 Consents under Material Agreements
Schedule 5.05 Litigation
Schedule 5.07a Authorizations
Schedule 5.07b County and State Locations of Assets
Schedule 5.08a Debt, Contingent Liabilities and Liens of the Borrower and each other GCI Entity in Existence on the Closing Date
Schedule 5.11 Environmental Liabilities of the GCI Entities on the Closing Date
Schedule 5.13 Investments and GCI Entities
Schedule 5.14 Fees Payable
Schedule 7.02 Subordination Terms

EXHIBITS

- Exhibit A-1 - Form of Revolving Note
Exhibit A-2 - Form of Revolver/Term Note
Exhibit B - Assignment and Acceptance
Exhibit C - Form of Pledge and Security Agreement
Exhibit D - Form of Compliance Certificate
Exhibit E - Form of Conversion/Continuation Notice
Exhibit F - Form of Borrowing Notice

iv

DRAFT 7/11/97
D J & C

GCI HOLDINGS, INC.

\$375,000,000

CREDIT AGREEMENT

THIS CREDIT AGREEMENT is dated as of _____, 1997 and GCI HOLDINGS, INC., an _____ corporation, (the "Borrower"), the Lenders from time to time party hereto or to an Assignment and Acceptance, and NATIONSBANK OF TEXAS, N.A., a national banking association ("NationsBank"), as a Lender and Administrative Agent, CREDIT LYONNAIS NEW YORK BRANCH ("Credit Lyonnais") as Documentation Agent and TORONTO DOMINION (USA), INC. ("TD"), as Syndication Agent, (NationsBank, Credit Lyonnais and TD being collectively referred to herein as the "Managing Agents").

BACKGROUND

1. The Borrower, the Administrative Agent and the Lenders have agreed to enter into this Credit Agreement to provide for (a) an eight year reducing

revolving credit facility in an amount up to \$225,000,000 (which, under certain circumstances could be increased to \$325,000,000), with a sub-facility for letters of credit up to \$10,000,000, and (b) a 364 day revolving credit facility up to a maximum amount of \$50,000,000, which converts to a term loan on the 364th day after closing.

2. The Borrower, the Administrative Agent and the Lenders therefor agree as follows:

AGREEMENT

NOW, THEREFORE, for valuable consideration hereby acknowledged, the parties hereto agree as follows:

ARTICLE I. DEFINITIONS

1.01. DEFINITIONS. As used in this Agreement, the following terms have the respective meanings indicated below (such meanings to be applicable equally to both the singular and plural forms of such terms):

1

"ADMINISTRATIVE AGENT" means NationsBank of Texas, National Association, in its capacity as Administrative Agent hereunder, or any successor Administrative Agent appointed pursuant to Section 9.06 hereof.

"ADVANCE" means an advance made by a Lender to the Borrower pursuant to Section 2.01 hereof, whether such Advance is made under the Revolving Loan or the Revolver/Term Loan.

"AFFILIATE" means a Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled By or is Under Common Control with another Person, and with respect to the Borrower, "AFFILIATE" means a Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled By or is Under Common Control with GCI, the Borrower or any Subsidiary of the Borrower or GCI.

"AGREEMENT" means this Credit Agreement, as hereafter amended, modified, or supplemented in accordance with its terms.

"ANNUALIZED OPERATING CASH FLOW" means, as of any date of determination, the product of two times Operating Cash Flow for the two most recently ended fiscal quarters.

"APPLICABLE LAW" means (a) in respect of any Person, all provisions of Laws applicable to such Person, and all orders and decrees of all courts and arbitrators in proceedings or actions to which the Person in question is a party and (b) in respect of contracts made or performed in the State of Texas, "Applicable Law" shall also mean the laws of the United States of America, including, without limiting the foregoing, 12 USC Sections 85 and 86, as amended to the date hereof and as the same may be amended at any time and from time to time hereafter, and any other statute of the United States of America now or at any time hereafter prescribing the maximum rates of interest on loans and extensions of credit, and the laws of the State of Texas, including, without limitations, Articles 5069-1.04 and 5069-1.07(a), Title 79, Revised Civil Statutes of Texas, 1925, as amended ("ART. 1.04"), and any other statute of the State of Texas now or at any time hereafter prescribing maximum rates of interest on loans and extensions of credit, provided however, that pursuant to Article 5069-15.10(b), Title 79, Revised Civil Statutes of Texas, 1925, as amended, the Borrower agrees that the provisions of Chapter 15, Title 79, Revised Civil Statutes of Texas, 1925, as amended, shall not apply to the Advances hereunder.

"APPLICABLE MARGIN" means (i) with respect to the Base Rate Advances under the Facilities, 1.375% per annum and (ii) with respect to LIBOR Advances under the Facilities, 2.500% per annum. Notwithstanding the foregoing, effective three Business Days after receipt by the Administrative Agent from the Borrower of a Compliance Certificate delivered to the Lenders for any reason and demonstrating a change in the Total Leverage Ratio to an amount so that another Applicable Margin should be applied pursuant to the table set forth below, the Applicable Margin for each type of Advance shall mean the respective amount set forth below opposite such relevant Total Leverage Ratio in Columns A and B below, in each case until the first succeeding Quarterly Date which is at least three Business Days after receipt by the Administrative Agent from the Borrower

2

of a Compliance Certificate, demonstrating a change in the Total Leverage Ratio to an amount so that another Applicable Margin shall be applied; provided that, if there exists a Default or Event of Default or if the Total Leverage Ratio shall at any time exceed or equal 7.50 to 1.00, the Applicable Margin shall again be the respective amounts first set forth in this

definition; provided further, that the Applicable Margin in effect on the Closing Date shall be determined pursuant to a Compliance Certificate delivered on the Closing Date, provided, further, that if the Borrower fails to deliver any financial statements to the Administrative Agent within the required time periods set forth in Sections 6.05(a) and Section 6.05(b) hereof, the Applicable Margin shall again be the respective amounts first set forth in this definition until the date which is three Business Days after the Administrative Agent receives financial statements from the Borrower which demonstrate that another Applicable Margin should be applied pursuant to the table set forth below; and provided further, that the Applicable Margin shall never be a negative number. Notwithstanding anything in the foregoing or in any other part of this Agreement or the Loan Papers to the contrary, or any other increase of the rates of interest whether pursuant to Section 2.08 hereof or otherwise, with respect to the Applicable Margin in each case set forth below, if the Senior Leverage Ratio is at any time greater than or equal to 3.50 to 1.00, and for so long as the Senior Leverage Ratio remains greater than or equal to 3.50 to 1.00, the margins set forth below shall in each case be increased by .125% per annum.

Total Leverage Ratio - - - - -	COLUMN A	COLUMN B
	Base Rate -----	LIBOR -----
Greater than or equal to 7.50 to 1.00	1.375%	2.500%
Greater than or equal to 7.00 to 1.00 but less than 7.50 to 1.00	1.250%	2.375%
Greater than or equal to 6.50 to 1.00 but less than 7.00 to 1.00	1.125%	2.250%
Greater than or equal to 6.00 to 1.00 but less than 6.50 to 1.00	0.750%	1.875%
Greater than or equal to 5.50 to 1.00 but less than 6.00 to 1.00	0.500%	1.625%
Greater than or equal to 5.00 to 1.00 but less than 5.50 to 1.00	3	
Greater than or equal to 4.50 to 1.00 but less than 5.00 to 1.00	0.250%	1.375%
Greater than or equal to 4.00 to 1.00 but less than 4.50 to 1.00	0.000%	1.125%
Greater than or equal to 4.00 to 1.00 but less than 4.50 to 1.00	0.000%	1.000%
Less than 4.00 to 1.00	0.000%	0.750%

"APPLICATION" means any stand-by letter of credit application delivered to Administrative Agent for or in connection with any Stand-By Letter of Credit pursuant to Article III hereof, in Administrative Agent's standard form for stand-by letters of credit.

"ART. 1.04" has the meaning specified in the definition herein of "Applicable Law".

"ASSET SALE" means any sale, disposition, liquidation, conveyance or transfer by the Borrower or any Restricted Subsidiary of any Property (or portion thereof) or an interest (other than Permitted Liens or a Lien granted to the Administrative Agent on behalf of the Lenders) therein, other than in the ordinary course of business.

"ASSIGNMENT AND ACCEPTANCE" means an assignment and acceptance entered into by a Lender and an Eligible Assignee, and accepted by Administrative Agent, in the form of EXHIBIT B hereto, as each such agreement may be amended, modified, extended, restated, renewed, substituted or replaced from time to time.

"AUDITOR" means KPMG Peat Marwick, L.L.P., or other independent certified public accountants selected by the Borrower and acceptable to Administrative Agent.

"AULP" means Alaska United Fiber System Partnership, an Alaska general partnership and Unrestricted Subsidiary, which is a wholly owned indirect Subsidiary of the Borrower.

"AUTHORIZATIONS" means all filings, recordings and registrations with, and all validations or exemptions, approvals, orders, authorizations, consents, Licenses, certificates and permits from, the FCC, applicable public utilities and other federal, state and local regulatory or governmental bodies and authorities or any subdivision thereof, including, without limitation, FCC Licenses.

"AUTHORIZED OFFICER" means any of the President, Senior Vice President-Chief Financial Officer, Vice President, Chief Financial Officer and Vice President-Chief Accounting Officer, Vice

4

President-Director of Finance or any other officer authorized by the Borrower from time to time of which the Administrative Agent has been notified in writing.

"BANK AFFILIATE" means the holding company of any Lender, or any wholly owned direct or indirect subsidiary of such holding company or of such Lender.

"BASE RATE ADVANCE" means an Advance bearing interest at the Base Rate, whether such Advance is made under the Revolving Loan or the Revolver/Term Loan.

"BASE RATE" means a fluctuating rate per annum as shall be in effect from time to time equal to the lesser of (a) the Highest Lawful Rate and (b) the sum of the Applicable Margin plus the greater of (i) the sum of Federal Funds Rate in effect from time to time plus .50% and (ii) the rate of interest as then in effect announced publicly by NationsBank of Texas, N.A. in Dallas, Texas from time to time as its U.S. dollar prime commercial lending rate (such rate may or may not be the lowest rate of interest charged by NationsBank from time to time). The Base Rate shall be adjusted automatically as of the opening of business on the effective date of each change in the prime rate to account for such change.

"BORROWER" means GCI Holdings, Inc., an Alaska corporation.

"BORROWING" means a borrowing under the Facilities of the same Type made on the same day, whether made under the Revolving Loan, the Revolver/Term Loan or any combination thereof.

"BORROWING NOTICE" has the meaning set forth in Section 2.02(a) hereof.

"BUSINESS DAY" means a day of the year on which banks are not required or authorized to close in Dallas, Texas and, if the applicable day relates to any notice, payment or calculation related to a LIBOR Advance, London, England.

"CAPITAL EXPENDITURES" means the aggregate amount of all purchases or acquisitions of items considered to be capital items under GAAP, and in any event shall include the aggregate amount of items leased or acquired under Capital Leases at the cost of the item, and the acquisition of realty, tools, equipment, and fixed assets, and any deferred costs associated with any of the foregoing.

"CAPITAL LEASES" means capital leases and subleases, as defined in accordance with GAAP.

"CAPITAL STOCK" means, as to any Person, the equity interests in such Person, including, without limitation, the shares of each class of capital stock of any Person that is a corporation and each class of partnership interests (including without limitation, general, limited and preference units) in any Person that is a partnership.

"CASH EQUIVALENTS" means investments (directly or through a money market fund) in (a) certificates of deposit and other interest bearing deposits or accounts with United States

5

commercial banks having a combined capital and surplus of at least \$300,000,000, which certificates, deposits, and accounts mature within one year from the date of investment and are fully insured as to principal by the FDIC, (b) obligations issued or unconditionally guaranteed by the United States government, or issued by an agency thereof and backed by the full faith and credit of the United States government, which obligations mature within one year from the date of investment, (c) direct obligations issued by any state or political subdivision of the United States, which mature within one year from the date of investment and have the highest rating obtainable

from Standard & Poor's Ratings Group or Moody's Investors Services, Inc. on the date of investment, and (d) commercial paper which has one of the three highest ratings obtainable from Standard & Poor's Ratings Group or Moody's Investors Services, Inc.

"CHANGE OF CONTROL" means the occurrence of one or more of the following events: (a) any change in the ownership of the Borrower or any Restricted Subsidiary (except any change due to any merger or consolidation among the Wholly-Owned Subsidiaries) or (b) any change in the ownership of GCI resulting in MCI owning less than 18% of GCI, or (c) MCI shall at any time have less than two representatives sitting on the GCI's Board of Directors.

"CLOSING DATE" means the date hereof.

"CODE" means the Internal Revenue Code of 1986, as amended, and the rules and regulations issued thereunder, as from time to time in effect.

"COLLATERAL" means all "collateral" referred to in any Loan Paper and all other property which is or may be subject to a Lien in favor or for the benefit of Administrative Agent on behalf of Lenders or any Lender to secure the Obligations, including, without limitation, "Collateral" as defined in Section 2.15(a) hereof.

"COMMITMENT FEES" means each of the fees described in Sections 2.10(a) and 2.10(b) hereof.

"COMPLIANCE CERTIFICATE" means a certificate of an Authorized Officer of the Borrower acceptable to Administrative Agent, in the form of EXHIBIT D hereto, (a) certifying that such individual has no knowledge that a Default or Event of Default has occurred and is continuing, or if a Default or Event of Default has occurred and is continuing, a statement as to the nature thereof and the action being taken or proposed to be taken with respect thereto, and (b) setting forth detailed calculations with respect to each of the covenants described in Section 7.01 hereof.

"CONSEQUENTIAL LOSS," with respect to (a) the Borrower's payment of all or any portion of the then-outstanding principal amount of a LIBOR Advance on a day other than the last day of the related Interest Period, including, without limitation, payments made as a result of the acceleration of the maturity of a Note, (b) (subject to Administrative Agents' prior consent), a LIBOR Advance made on a date other than the date on which the Advance is to be made according to Section 2.02(a) or Section 2.09 hereof, or (c) any of the circumstances specified in Section 2.04, Section 2.05 and Section 2.06 hereof on which a Consequential Loss may be incurred, means any loss, cost or expense

6

incurred by any Lender as a result of the timing of the payment or Advance or in liquidating, redepositing, redeploying or reinvesting the principal amount so paid or affected by the timing of the Advance or the circumstances described in Section 2.04, Section 2.05, and Section 2.06 hereof, which amount shall be the sum of (i) the interest that, but for the payment or timing of Advance, such Lender would have earned in respect of that principal amount, reduced, if such Lender is able to redeposit, redeploy, or reinvest the principal amount, by the interest earned by such Lender as a result of redepositing, redeploying or reinvesting the principal amount plus (ii) any expense or penalty incurred by such Lender by reason of liquidating, redepositing, redeploying or reinvesting the principal amount. Each determination by each Lender of any Consequential Loss is, in the absence of manifest error, conclusive and binding.

"CONTINGENT LIABILITY" means, as to any Person, any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Debt or obligation of any other Person in any manner, whether directly or indirectly, including without limitation any obligation of such Person, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt or to purchase (or to advance or supply funds for the purchase of) any security for the payment of such Debt, (b) to purchase Property or services for the purpose of assuring the owner of such Debt of its payment, or (c) to maintain the solvency, working capital, equity, cash flow, fixed charge or other coverage ratio, or any other financial condition of the primary obligor so as to enable the primary obligor to pay any Debt or to comply with any agreement relating to any Debt or obligation, and shall, in any event, include any contingent obligation under any letter of credit, application for any letter of credit or other related documentation.

"CONTINUE," "CONTINUATION" and "CONTINUED" each refer to the continuation pursuant to Section 2.09 hereof of a LIBOR Advance from one Interest Period to the next Interest Period.

"CONTROL" or "CONTROLLED BY" or "UNDER COMMON CONTROL" mean possession,

direct or indirect, of power to direct or cause the direction of management or policies (whether through ownership of voting securities, by contract or otherwise); provided that, in any event (a) it shall include any director (or Person holding the equivalent position) or executive officer (or Person holding the equivalent position) of such Person or of any Affiliate of such Person, (b) any Person which beneficially owns 5% or more (in number of votes) of the securities having ordinary voting power for the election of directors of a corporation shall be conclusively presumed to control such corporation, (c) any general partner of any partnership shall be conclusively presumed to control such partnership, (d) any other Person who is a member of the immediate family (including parents, spouse, siblings and children) of any general partner of a partnership, and any trust whose principal beneficiary is such individual or one or more members of such immediate family and any Person who is controlled by any such member or trust, or is the executor, administrator or other personal representative of such Person, shall be conclusively presumed to control such Person, and (e) no Person shall be deemed to be an Affiliate of a corporation solely by reason of his being an officer or director of such corporation.

7

"CONTROLLED GROUP" means, as to any Person, all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) which are under common control with such Person and which, together with such Person, are treated as a single employer under Section 414(b), (c), (m) or (o) of the Code.

"CONVERSION DATE" means the date that is 364 days after the Closing Date.

"CONVERSION OR CONTINUANCE NOTICE" has the meaning set forth in Section 2.09(b) hereof.

"DEBT" means all obligations, contingent or otherwise, which in accordance with GAAP are required to be classified on the balance sheet as liabilities, and in any event including Capital Leases, Contingent Liabilities that are required to be disclosed and quantified in notes to consolidated financial statements in accordance with GAAP, and liabilities secured by any Lien on any Property, regardless of whether such secured liability is with or without recourse.

"DEBT FOR BORROWED MONEY" means, as to any Person, at any date, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes, letters of credit (or applications for letters of credit) or other similar instruments, (c) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business and (d) all obligations of such Person secured by a Lien on any assets or property of any Person.

"DEBTOR RELIEF LAWS" means applicable bankruptcy, reorganization, moratorium, or similar Laws, or principles of equity affecting the enforcement of creditors' rights generally.

"DEFAULT" means any event specified in Section 8.01 hereof, whether or not any requirement in connection with such event for the giving of notice, lapse of time, or happening of any further condition has been satisfied.

"DISTRIBUTION" means, as to any Person, (a) any declaration or payment of any distribution or dividend (other than a stock dividend) on, or the making of any pro rata distribution, loan, advance, or investment to or in any holder (in its capacity as a partner, shareholder or other equity holder) of, any partnership interest or shares of capital stock or other equity interest of such Person, or (b) any purchase, redemption, or other acquisition or retirement for value of any shares of partnership interest or capital stock or other equity interest of such Person.

"ELIGIBLE ASSIGNEE" means (a) any Bank Affiliate, (b) a commercial bank organized under the laws of the United States, or any state thereof, and having total assets in excess of \$500,000,000; (c) a commercial bank organized under the laws of any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and having total assets in excess of \$500,000,000, provided that such bank is acting through a branch or agency located in the country in which it is organized or another country which is

8

described in this clause; and (d) the central bank of any country which is a member of the Organization for Economic Cooperation and Development.

"ENVIRONMENTAL LAWS" means the Comprehensive Environmental Response,

Compensation, and Liability Act (42 U.S.C. Section 9601 ET SEQ.) ("CERCLA"), the Hazardous Material Transportation Act (49 U.S.C. Section 1801 ET SEQ.), the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 ET SEQ.), the Federal Water Pollution Control Act (33 U.S.C. Section 1251 ET SEQ.), the Clean Air Act (42 U.S.C. Section 7401 ET SEQ.), the Toxic Substances Control Act (15 U.S.C. Section 2601 ET SEQ.), and the Occupational Safety and Health Act (29 U.S.C. Section 651 ET SEQ.) ("OSHA"), as such laws have been or hereafter may be amended or supplemented, and any and all analogous future federal, or present or future state or local, Laws.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the rulings and regulations issued thereunder, as from time to time in effect.

"ERISA AFFILIATE" means any Person that for purposes of Title IV of ERISA is a member of the controlled group of GCI, the Borrower or any Subsidiary of GCI or the Borrower, or is under common control with GCI, the Borrower or any Subsidiary of GCI or the Borrower, within the meaning of Section 414(c) of the Code.

"ERISA EVENT" means (a) a reportable event, within the meaning of Section 4043 of ERISA, unless the 30-day notice requirement with respect thereto has been waived by the PBGC, (b) the issuance by the administrator of any Plan of a notice of intent to terminate such Plan in a distress situation, pursuant to Section 4041(a)(2) and 4041(c) of ERISA (including any such notice with respect to a plan amendment referred to in Section 4041(e) of ERISA), (c) the cessation of operations at a facility in the circumstances described in Section 4062(e) of ERISA, (d) the withdrawal by the Borrower, any Subsidiary of the Borrower or GCI, or an ERISA Affiliate from a Multiple Employer Plan during a Plan year for which it was a substantial employer, as defined in Section 4001(a)(2) of ERISA, (e) the failure by the Borrower, any Subsidiary of the Borrower or either Parent, or any ERISA Affiliate to make a payment to a Plan required under Section 302 of ERISA, (f) the adoption of an amendment to a Plan requiring the provision of security to such Plan, pursuant to Section 307 of ERISA, or (g) the institution by the PBGC of proceedings to terminate a Plan, pursuant to Section 4042 of ERISA, or the occurrence of any event or condition that constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, a Plan.

"EVENT OF DEFAULT" means any of the events specified in Section 8.01 hereof, provided there has been satisfied any requirement in connection therewith for the giving of notice, lapse of time, or happening of any further condition.

"EXCESS CASH FLOW" means, for the most recently completed fiscal year, the difference between Operating Cash Flow for such year minus the sum of (a) Total Interest Expense for such year, plus (b) scheduled repayments of principal of Total Debt (whether by installment or as a result of a scheduled reduction in a revolving commitment, or otherwise) for such year, plus (c) Capital

9

Expenditures made during such year and financed with cash from operations of the Borrower or its Restricted Subsidiaries, plus (d) not more than \$_____ in working capital of the Borrower, plus (e) cash taxes for GCII, the Borrower and its Restricted Subsidiaries with respect to such year, whether accrued or paid.

"FACILITIES" means both the Revolving Loan and the Revolver/Term Loan evidenced by this Agreement and the Loan Papers, and "FACILITY" means either of the Revolving Loan or the Revolver/Term Loan, as applicable in the context used.

"FCC" means the Federal Communications Commission and any successor thereto.

"FCC LICENSE" means any community antenna relay service, broadcast auxiliary license, earth station registration, business radio, microwave or special safety radio service license issued by the FCC pursuant to the Communications Act of 1934, as amended, and any other FCC license from time to time necessary or advisable for the operation of the Parents', the Borrower's or any of their Subsidiaries' business.

"FEDERAL FUNDS RATE" means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of Dallas, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such date on such transactions received by Administrative Agent from three federal funds brokers of recognized standing selected by it.

"FEE LETTERS" means that certain letter agreement, dated June 30, 1997, addressed to the Borrower and acknowledged by the Borrower, and describing certain fees payable to the Administrative Agent in connection with this Agreement and the Facilities, and such other fee letter agreements as may be executed from time to time among the parties hereto, as each may be amended, modified, substituted or replaced by the parties thereto.

"FIXED CHARGES" means, for the most recently completed four fiscal quarters, the sum of (a) cash Total Interest Expense paid or accrued, plus (b) scheduled repayments of principal of Total Debt (whether by installment or as a result of a scheduled reduction in a revolving commitment, or otherwise), plus (c) cash taxes paid or accrued for the Borrower and its Subsidiaries, plus (d) cash payments (in the form of capital contributions, loans, advances or otherwise) made to Unrestricted Subsidiaries, plus (e) Capital Expenditures made by any of the Borrower and its Restricted Subsidiaries.

"FIXED CHARGES COVERAGE RATIO" means the ratio of Annualized Operating Cash Flow to Fixed Charges.

10

"FUNDED DEBT" means, without duplication, with respect to any Person, all Debt of such Person, determined on a consolidated basis and measured in accordance with GAAP that is either (a) Debt for Borrowed Money, (b) Debt having a final maturity (or extendable at the option of the obligor for a period ending) more than one year after the date of creation thereof, notwithstanding the fact that payments are required to be made less than one year after such date, (c) Capital Lease obligations (without duplication), (d) reimbursement obligations relating to letters of credit, without duplication, (e) Contingent Liabilities relating to any of the foregoing (without duplication), (f) Withdrawal Liability, (g) Debt, if any, associated with Interest Hedge Agreements, (h) payments due under Non-Compete Agreements, plus (i) payments due for the deferred purchase price of property and services (but excluding trade payables that are less than 90 days old and any thereof that are being contested in good faith).

"GAAP" means generally accepted accounting principles applied on a consistent basis. Application on a consistent basis shall mean that the accounting principles observed in a current period are comparable in all material respects to those applied in a preceding period, except for new developments or statements promulgated by the Financial Accounting Standards Board.

"GCI" General Communication, Inc., an Alaska corporation, and immediate parent and holder of 100% of the Capital Stock of GCII.

"GCI ENTITIES" means the Borrower, the Parents, each Restricted Subsidiary and each Guarantor from time to time in existence, and any other Person from time to time constituting a Subsidiary of Parents or the Borrower, except the Unrestricted Subsidiaries.

"GCII" means GCI, Inc., an Alaska corporation, and immediate parent and holder of 100% of the Capital Stock of the Borrower.

"GUARANTORS" means GCI, GCII, GCI Communication Services, Inc., GCI Leasing Co., Inc., GCI Communication Corp. (including, without limitation, the Long Distance Division and the Local & Wireless Division), GCI Cable, Inc., each Subsidiary of GCI Cable, Inc., each other Restricted Subsidiary and each other Person from time to time guaranteeing payment of the Obligations to the Administrative Agent and Lenders.

"GUARANTY" of a Person means any agreement by which such Person assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes liable upon, the obligation of any other Person, or agrees to maintain the net worth or working capital or other financial condition of any other Person, or otherwise assures any creditor or such other Person against loss, including, without limitation, any agreement which assures any creditor or such other Person payment or performance of any obligation, or any take-or-pay contract and shall include without limitation, the contingent liability of such Person in connection with any application for a letter of credit (without duplication of any amount already included in its Debt).

11

"HAZARDOUS MATERIALS" means all materials subject to any Environmental Law, including without limitation materials listed in 49 C.F.R. Section 172.101, Hazardous Substances, explosive or radioactive materials, hazardous or toxic wastes or substances, petroleum or petroleum distillates, asbestos, or material containing asbestos.

"HAZARDOUS SUBSTANCES" means hazardous waste as defined in the Clean Water Act, 33 U.S.C. Section 1251 ET SEQ., the Comprehensive Environmental Response Compensation and Liability Act as amended by the Superfund Amendments and Reauthorization Act, 42 U.S.C. Section 9601 ET SEQ., the Resource Conservation Recovery Act, 42 U.S.C. Section 6901 ET SEQ., and the Toxic Substances Control Act, 15 U.S.C. Section 2601 ET SEQ.

"HIGHEST LAWFUL RATE" means at the particular time in question the maximum rate of interest which, under Applicable Law, Administrative Agent is then permitted to charge on the Obligations. If the maximum rate of interest which, under Applicable Law, such Lender is permitted to charge on the Obligations shall change after the date hereof, the Highest Lawful Rate shall be automatically increased or decreased, as the case may be, from time to time as of the effective time of each change in the Highest Lawful Rate without notice to the Borrower. For purposes of determining the Highest Lawful Rate under Applicable Law, the applicable rate ceiling shall be (a) the indicated rate ceiling described in and computed in accordance with the provisions of Section (a)(1) of Art. 1.04; or (b) provided notice is given as required in Section (h)(1) of Art. 1.04, either the annualized ceiling or quarterly ceiling computed pursuant to Section (d) of Art. 1.04; PROVIDED, HOWEVER, that at any time the indicated rate ceiling, the annualized ceiling or the quarterly ceiling, as applicable, shall be less than 18% per annum or more than 24% per annum, the provisions of Sections (b)(1) and (2) of said Art. 1.04 shall control for purposes of such determination, as applicable.

"INDEMNITEES" has the meaning ascribed thereto in Section 6.09 hereof.

"INDENTURE" means _____, providing for the Senior Notes.

"INITIAL ADVANCE" means the initial Advance made in accordance with the terms hereof, which shall only be after the Borrower has satisfied each of the conditions set forth in Section 4.01 and Section 4.02 hereof (or any such condition shall have been waived by each Lender).

"INSTALLMENT PERCENTAGE" means, with respect to Advances outstanding under the Revolver/Term Loan, a percentage of the aggregate Revolver/Term Advances outstanding on the Conversion Date.

"INSUFFICIENCY" means, with respect to any Plan, the amount, if any, of its unfunded benefit liabilities within the meaning of Section 4001(a)(18) of ERISA.

"INTEREST COVERAGE RATIO" means as of any date of determination, the ratio of (a) Annualized Operating Cash Flow to (b) Total Interest Expense for the most recently completed four fiscal quarters, provided that, notwithstanding the preceding and any other provision in this Agreement or

12

in the Loan Papers, for the first three fiscal quarters after the Closing Date only, Annualized Operating Cash Flow and Total Interest Expense shall be determined by annualizing the relevant financial information of GCII, the Borrower and the Restricted Subsidiaries from the Closing Date through the date of determination.

"INTEREST HEDGE AGREEMENTS" means any interest rate swap agreements, interest cap agreements, interest rate collar agreements, or any similar agreements or arrangements designed to hedge the risk of variable interest rate volatility, or foreign currency hedge, exchange or similar agreements, on terms and conditions reasonably acceptable to Administrative Agent (evidenced by Administrative Agent's consent in writing), as such agreements or arrangements may be modified, supplemented, and in effect from time to time, and notwithstanding the above, fixed rate Debt for Borrowed Money shall be deemed an Interest Hedge Agreement.

"INTEREST PERIOD" means, with respect to any LIBOR Advance, the period beginning on the date an Advance is made or continued as or converted into a LIBOR Advance and ending one, three or six months thereafter (as the Borrower shall select) PROVIDED, HOWEVER, that:

(a) the Borrower may not select any Interest Period that ends after any principal repayment date unless, after giving effect to such selection, the aggregate principal amount of LIBOR Advances having Interest Periods that end on or prior to such principal repayment date, shall be at least equal to the principal amount of Advances due and payable on and prior to such date;

(b) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day, PROVIDED, HOWEVER, that if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day; and

(c) whenever the first day of any Interest Period occurs on a day of an initial calendar month for which there is no numerically corresponding day in the calendar month that succeeds such initial calendar month by the number of months equal to the number of months in such Interest Period, such Interest Period shall end on the last Business Day of such succeeding calendar month.

"INVESTMENT" means any acquisition of all or substantially all assets of any Person, or any direct or indirect purchase or other acquisition of, or a beneficial interest in, capital stock or other securities of any other Person, or any direct or indirect loan, advance (other than advances to employees for moving and travel expenses, drawing accounts, and similar expenditures in the ordinary course of business), or capital contribution to or investment in any other Person, including without limitation the incurrence or sufferance of Debt or accounts receivable of any other Person that are not current assets or do not arise from sales to that other Person in the ordinary course of business.

13

"LAW" means any constitution, statute, law, ordinance, regulation, rule, order, writ, injunction, or decree of any Tribunal.

"LENDERS" means the lenders listed on the signature pages of this Agreement, and each Eligible Assignee which hereafter becomes a party to this Agreement pursuant to Section 10.04 hereof, for so long as any such Person is owed any portion of the Obligations or obligated to make any Advances under the Revolving Loan.

"LENDING OFFICE" means, with respect to each Lender, its branch or affiliate, (a) initially, the office of such Lender, branch or affiliate identified as such on the signature pages hereof, and (b) subsequently, such other office of such Lender, branch or affiliate as such Lender may designate to the Borrower and Administrative Agent as the office from which the Advances of such Lender will be made and maintained and for the account of which all payments of principal and interest on the Advances and the Commitment Fees will thereafter be made. Lenders may have more than one Lending Office for the purpose of making Base Rate Advances and LIBOR Advances.

"LETTERS OF CREDIT" means the irrevocable standby letters of credit issued by Administrative Agent under and pursuant to Article III hereof, as each may be amended, modified, substituted, increased, replaced, renewed or extended from time to time.

"LETTER OF CREDIT COMMITMENT" means an amount equal to the lesser of (i) the Revolving Unused Commitment and (ii) \$10,000,000.

"LIBOR ADVANCE" means an Advance bearing interest at the LIBOR Rate.

"LIBOR RATE" means a simple per annum interest rate equal to the lesser of (a) the Highest Lawful Rate, and (b) the sum of the LIBOR Rate Basis plus the Applicable Margin. The LIBOR Rate shall, with respect to LIBOR Advances subject to reserve or deposit requirements, be subject to premiums assessed therefor by each Lender, which are payable directly to each Lender. Once determined, the LIBOR Rate shall remain unchanged during the applicable Interest Period.

"LIBOR RATE BASIS" means, for any LIBOR Advance for any Interest Period therefor, the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) appearing on Telerate Page 3750 (or any successor page) as the London interbank offered rate for deposits in Dollars at approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period for a term comparable to such Interest Period. If for any reason such rate is not available, the term "LIBOR Rate Basis" shall mean, for any LIBOR Advance for any Interest Period therefor, the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) appearing on Reuters Screen LIBO Page as the London interbank offered rate for deposits in Dollars at approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period for a term comparable to such Interest Period; PROVIDED, HOWEVER, if more than one rate is specified on Reuters Screen LIBO Page, the applicable rate shall be the arithmetic mean of all such rates.

14

"LICENSE" means, as to any Person, any license, permit, certificate of need, authorization, certification, accreditation, franchise, approval, or grant of rights by any Tribunal or third person necessary or appropriate for such Person to own, maintain, or operate its business or Property, including FCC Licenses.

"LIEN" means any mortgage, pledge, security interest, encumbrance, lien, or charge of any kind, including without limitation any agreement to give or not to give any of the foregoing, any conditional sale or other title retention agreement, any lease in the nature thereof, and the filing of or agreement to give any financing statement or other similar form of public notice under the Laws of any jurisdiction (except for the filing of a financing statement or notice in connection with an operating lease).

"LITIGATION" means any proceeding, claim, lawsuit, arbitration, and/or investigation conducted or threatened by or before any Tribunal, including without limitation proceedings, claims, lawsuits, and/or investigations under or pursuant to any environmental, occupational, safety and health, antitrust, unfair competition, securities, Tax, or other Law, or under or pursuant to any contract, agreement, or other instrument.

"LOAN PAPERS" means this Agreement; the Notes; Interest Rate Hedge Agreements executed among any GCI Entity and any Lender or Bank Affiliate; all Pledge Agreements; all Guaranties executed by any Person guaranteeing payment of any portion of the Obligations; all Fee Letters; all Letters of Credit, all Applications and all documentation related to any Letter of Credit; each Assignment and Acceptance; all promissory notes evidencing any portion of the Obligations; assignments, security agreements and pledge agreements granting any interest in any of the Collateral; stock certificates and partnership agreements constituting part of the Collateral; mortgages, deeds of trust, financing statements, collateral assignments, and other documents and instruments granting an interest in any portion of the Collateral, or related to the perfection and/or the transfer thereof, all collateral assignments or other agreements granting a Lien on any intercompany note; and all other documents, instruments, agreements or certificates executed or delivered by the Borrower or any other GCI Entity, as security for the Borrower's obligations hereunder, in connection with the loans to the Borrower or otherwise; as each such document shall, with the consent of the Lenders pursuant to the terms hereof, be amended, revised, renewed, extended, substituted or replaced from time to time.

"LOCAL TELEPHONE BUSINESS" means the local telephone business of the Borrower and its Restricted Subsidiaries in Anchorage, Alaska, for which GCI Leasing Corp. received its authority to operate from the Alaskan Public Utilities Commission on February 4, 1997.

"MAJORITY LENDERS" means any combination of Lenders having at least 66.67% of the aggregate amount of Advances under the Facilities; provided, however, that if no Advances are outstanding under this Agreement, such term means any combination of Lenders having a Specified Percentage equal to at least 66.67% of the Facilities.

15

"MANAGEMENT FEES" means all fees from time to time directly or indirectly (including any payments made pursuant to guarantees of such fees) paid or payable by the Borrower, any GCI Entity or any of the Restricted Subsidiaries to any Person for management services for managing any portion of any System.

"MANAGING AGENTS" means NationsBank, Credit Lyonnais and TD.

"MATERIAL ADVERSE CHANGE" means any circumstance or event that (a) can reasonably be expected to cause a Default or an Event of Default, (b) otherwise can reasonably be expected to (i) be material and adverse to the continued operation of the Borrower and the Restricted Subsidiaries taken as a whole or any other GCI Entity, or (ii) be material and adverse to the financial condition, business operations, prospects or Properties of the Borrower and the Restricted Subsidiaries taken as a whole or any other GCI Entity, or (c) in any manner whatsoever does or can reasonably be expected to materially and adversely affect the validity or enforceability of any of the Loan Papers.

"MATURITY DATE" means June 30, 2005, or such earlier date all of the Obligations become due and payable (whether by acceleration, prepayment in full, scheduled reduction or otherwise).

"MAXIMUM AMOUNT" means the maximum amount of interest which, under Applicable Law, Administrative Agent or any Lender is permitted to charge on the Obligations.

"MCI" means (i) prior to the effective date of the merger of MCI Telecommunications Corporation into [British Telecommunications, Inc.], MCI Telecommunications Corporation and (ii) on and after the effective date of the merger of MCI Telecommunications Corporation into [British Telecommunications, Inc.], [British Telecommunications, Inc.]

"MULTIEMPLOYER PLAN" means a multiemployer plan, as defined in Section 401(a)(3) of ERISA, to which the Borrower, any Subsidiary of the Borrower or

GCI or any ERISA Affiliate is making or accruing an obligation to make contributions, or has within any of the preceding five plan years made or accrued an obligation to make contributions, such plan being maintained pursuant to one or more collective bargaining agreements.

"MULTIPLE EMPLOYER PLAN" means a single employer plan, as defined in Section 4001(a)(15) of ERISA, that (a) is maintained for employees of the Borrower, any Subsidiary of the Borrower or GCI, or any ERISA Affiliate and at least one Person other than the Borrower, any Subsidiary of the Borrower or GCI, and any ERISA Affiliate, or (b) was so maintained and in respect of which the Borrower, any Subsidiary of the Borrower or GCI, or any ERISA Affiliate could have liability under Section 4064 or 4069 of ERISA in the event such plan has been or were to be terminated.

"NET PROCEEDS" means the gross proceeds received by the Borrower or any Restricted Subsidiary in connection with or as a result of any Asset Sale, minus (so long as each of the following are estimated in good faith by the Vice President - Chief Financial Officer of the Borrower or such Restricted Subsidiary and certified to the Lenders in reasonable detail by an Authorized Officer) (a)

16

amounts paid or reserved in good faith, if any, for taxes payable with respect to such Asset Sale in an amount equal to the tax liability of the Borrower or any Restricted Subsidiary in respect of such sale (taking into account all other tax benefits of each of the parties) and (b) reasonable and customary transaction costs payable by the Borrower or any Restricted Subsidiary related to such sale.

"NON-COMPETE AGREEMENT" means any agreement or related set of agreements under which the Borrower or any Restricted Subsidiary agrees to pay money in one or more installments to one or more Persons in exchange for agreements from such Persons to refrain from competing with the Borrower or such Restricted Subsidiary in a certain line of business in a specific geographical area for a certain time period, or pursuant to which any Person agrees to limit or restrict its right to engage, directly or indirectly, in the same or similar industry for any period of time for any geographic location.

"NOTES" means all Revolving Notes and Revolver/Term Notes in effect from time to time, and "Note" means any of such notes, as applicable.

"OBLIGATIONS" means all present and future obligations, indebtedness and liabilities, and all renewals and extensions of all or any part thereof, of the Borrower and each other GCI Entity to Lenders and Administrative Agent arising from, by virtue of, or pursuant to this Agreement, any of the other Loan Papers and any and all renewals and extensions thereof or any part thereof, or future amendments thereto, all interest accruing on all or any part thereof and reasonable attorneys' fees incurred by Lenders and Administrative Agent for the administration, execution of waivers, amendments and consents, and in connection with any restructuring, workouts or in the enforcement or the collection of all or any part thereof, whether such obligations, indebtedness and liabilities are direct, indirect, fixed, contingent, joint, several or joint and several. Without limiting the generality of the foregoing, "Obligations" includes all amounts which would be owed by the Borrower, each other GCI Entity and any other Person (other than Administrative Agent or Lenders) to Administrative Agent or Lenders under any Loan Paper, but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving the Borrower, any other GCI Entity or any other Person (including all such amounts which would become due or would be secured but for the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding of the Borrower, any other GCI Entity or any other Person under any Debtor Relief Law).

"OPERATING CASH FLOW" means, for the Borrower and the Restricted Subsidiaries, for any period, determined in accordance with GAAP, the consolidated net income (loss) for such period taken as a single accounting period, excluding extraordinary gains and losses, plus the sum of the following amounts for such period to the extent included in the determination of such consolidated net income: (a) depreciation expense, (b) amortization expense and other non-cash charges reducing income, (c) net Total Interest Expense for the Borrower and the Restricted Subsidiaries, (d) cash income tax expense for the Borrower and Restricted Subsidiaries plus (e) deferred income Taxes for the Borrower and Restricted Subsidiaries; provided, the calculation is made after giving effect to

17

acquisitions and dispositions of assets of the Borrower or any Restricted Subsidiary during such period as if such transactions had occurred on the first day of such period.

"OPERATING LEASES" means operating leases, as defined in accordance with GAAP.

"PARENTS" means, collectively, GCI and GCII.

"PBGC" means the Pension Benefit Guaranty Corporation, or any successor agency or entity performing substantially the same functions.

"PERMITTED LIENS" means

(a) those imposed by the Loan Papers;

(b) Liens in connection with workers' compensation, unemployment insurance or other social security obligations (which phrase shall not be construed to refer to ERISA);

(c) deposits, pledges or liens to secure the performance of bids, tenders, contracts (other than contracts for the payment of borrowed money), leases, statutory obligations, surety, customs, appeal, performance and payment bonds and other obligations of like nature arising in the ordinary course of business;

(d) mechanics', worker's, carriers, warehousemen's, materialmen's, landlords', or other like Liens arising in the ordinary course of business with respect to obligations which are not due or which are being contested in good faith and by appropriate proceedings diligently conducted;

(e) Liens for taxes, assessments, fees or governmental charges or levies not delinquent or which are being contested in good faith and by appropriate proceedings diligently conducted, and in respect of which adequate reserves shall have been established in accordance with GAAP on the books of the Borrower or such GCI Entity;

(f) Liens or attachments, judgments or awards against the Borrower or any other GCI Entity with respect to which an appeal or proceeding for review shall be pending or a stay of execution shall have been obtained, and which are otherwise being contested in good faith and by appropriate proceedings diligently conducted, and in respect of which adequate reserves shall have been established in accordance with GAAP on the books of the Borrower or such other GCI Entity;

(g) Liens in existence on the Closing Date described on SCHEDULE 5.08(a) hereto;

(h) statutory Liens in favor of lessors arising in connection with Property leased to the Borrower or any other GCI Entity; and

18

(i) easements, rights of way, restrictions, leases of Property to others, easements for installations of public utilities, title imperfections and restrictions, zoning ordinances and other similar encumbrances affecting Property which in the aggregate do not materially adversely affect the value of such Property or materially impair its use for the operation of the business of the Borrower or such GCI Entity.

"PERSON" means an individual, partnership, joint venture, corporation, trust, Tribunal, unincorporated organization, and government, or any department, agency, or political subdivision thereof.

"PLAN" means a Single Employer Plan or a Multiple Employer Plan.

"PLEDGE AGREEMENT" means each Security Agreement and each Pledge and Security Agreement, whereby the Pledged Interests are pledged to Administrative Agent and a security interest is granted in the assets of the Borrower and Restricted Subsidiaries to secure the Obligations, each substantially in the form of EXHIBIT C hereto, as each such agreement may be amended, modified, extended, renewed, restated, substituted or replaced from time to time.

"PLEDGED INTERESTS" means (a) a first perfected security interest in 100% of the Capital Stock of the Borrower; (b) a first perfected security interest in 100% of the Capital Stock of GCI Communication Services, Inc., and GCI Communication Corp.; (c) subject to the Prior Stock Lien, a first perfected security interest in 100% of the Capital Stock of GCI Leasing Co., Inc.; and (d) a first perfected security interest in 100% of the Capital Stock of GCI Cable, Inc. each Subsidiary of GCI Cable, Inc., and each other Restricted Subsidiary, if any, now existing or hereafter formed or acquired.

["PRIOR STOCK LIEN" means those certain Liens in the stock of GCI Leasing Co., Inc. and such other Liens as are listed on SCHEDULE 1.02 hereto.]

"PRIME MANAGEMENT AGREEMENT" means that certain Management Agreement, between GCI Cable, Inc. and Prime II Management, L.P., dated October 31, 1996.

"PRO FORMA DEBT SERVICE" means, for GCII, the Borrower and its Restricted Subsidiaries for the four full fiscal quarters immediately following the date of determination, the sum of (a) cash Total Interest Expense (using the interest rates in effect on the date of determination to project interest rates for any Total Debt subject to a floating interest rate), plus (b) scheduled repayments of principal of Total Debt (whether by installment or as a result of a scheduled reduction in a revolving commitment, or otherwise).

"PRO FORMA DEBT SERVICE COVERAGE RATIO" means the ratio of Annualized Operating Cash Flow to Pro Forma Debt Service.

19

"PROHIBITED TRANSACTION" has the meaning specified therefor in Section 4975 of the Code or Section 406 of ERISA.

"PROPERTY" means all types of real, personal, tangible, intangible, or mixed property, whether owned in fee simple or leased.

"QUARTERLY DATE" means the last Business Day of each March, June, September and December during the term of this Agreement, commencing on ***[September 30, 1997]***.

"RATABLE" means, as to any Lender, in accordance with its Specified Percentage.

"REDUCTION PERCENTAGE" means, with respect to the Revolving Commitment, that percentage of the Revolving Commitment as the Revolving Commitment is in effect on June 30, 2000.

"REFINANCING ADVANCE" means an Advance that is used to pay the principal amount of an existing Advance (or any performance thereof) at the end of its Interest Period and which, after giving effect to such application, does not result in an increase in the aggregate amount of outstanding Advances.

"REGULATORY CHANGE" means any change after the date hereof in federal, state, or foreign Laws (including the introduction of any new Law) or the adoption or making after such date of any interpretations, directives, or requests of or under any federal, state, or foreign Laws (whether or not having the force of Law) by any Tribunal charged with the interpretation or administration thereof, applying to a class of financial institutions that includes any Lender, excluding, however, any such change which results in an adjustment of the LIBOR Reserve Percentage and the effect of which is reflected in a change in the LIBOR Rate as provided in the definition of such term.

"REPORTABLE EVENT" means a reportable event as defined in Section 4043 of ERISA and the regulations issued under such section, with respect to a Plan, excluding, however, such events as to which the PBGC by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event, provided that a failure to meet the minimum funding standard of Section 412 of the Code and of Section 302 of ERISA shall be a Reportable Event regardless of the issuance of any such waivers in accordance with either Section 4043(a) of ERISA or Section 412(d) of the Code.

"RESTRICTED PAYMENTS" means (a) any direct or indirect distribution, Distribution or other payment on account of any general or limited partnership interest in (or the setting aside of funds for, or the establishment of a sinking fund or analogous fund with respect to), or shares of Capital Stock or other securities of, the Borrower or any Restricted Subsidiary; (b) any payments of principal of, or interest on, or fees related to, or any other payments and prepayments with respect to, or the establishment of, or any payment to, any sinking fund or analogous fund for the purpose of making any such payments on, Funded Debt of GCII, the Borrower or any Restricted Subsidiary (excluding the Obligations); (c) any Management Fee or any management, consulting or other similar fees, or

20

any interest thereon, payable by the Borrower or any Restricted Subsidiary to any Affiliate of the Borrower or Parents or to any other Person; (d) any administration fee or any administration, consulting or other similar fees, or any interest thereon, payable by the Borrower or any Restricted Subsidiary to any Affiliate of Parents or the Borrower or to any other Person (excluding salaries of employees and consulting fees incurred in the ordinary course of business payable to non-Affiliates of the Borrower); (e) any payments of any amounts owing under any Non-Compete Agreements; and (f) fees, loans or other payments or advances by the Borrower or any Restricted Subsidiary to any Unrestricted Subsidiary or any other Affiliate of the Parents or the Borrower, except to the extent such payments are permitted in accordance with the terms of Section 7.09 hereof.

"RESTRICTED SUBSIDIARIES" means GCI Communication Services, Inc., GCI

Leasing Co., Inc., GCI Communication Corp. (including, without limitation, the Long Distance Division and the Local & Wireless Division), GCI Cable, Inc., each Subsidiary of GCI Cable, Inc., and any other Subsidiary, now or hereafter created or acquired, of the Borrower or the Parents, in each case that engages in either the operation of (a) switched message long distance telephone systems and ancillary services including DAMA, cellular resale and PCS systems, (b) cable distribution operations, or (c) the Local Telephone Business and "RESTRICTED SUBSIDIARY" means any one of them, as applicable in the context.

"REVOLVER/TERM COMMITMENT" means, with respect to the Revolver/Term Loan, \$50,000,000, as such amount may be reduced from time to time in accordance with the terms of Section 2.04 hereof.

"REVOLVER/TERM LOAN" means that certain Revolver/Term Loan made to the Borrower on the Closing Date in accordance with Section 2.01(b) hereof.

"REVOLVER/TERM NOTES" means the promissory notes of the Borrower evidencing the Advances and obligations owing hereunder to each Lender under the Revolver/Term Loan, in substantially the form of EXHIBIT A-2 hereto, each payable to the order of each Lender, as each such note may be amended, extended, restated, renewed, substituted or replaced from time to time.

"REVOLVER/TERM UNUSED COMMITMENT" means, on any date of determination, the Revolver/Term Commitment as in effect on such date, minus all outstanding Advances made under the Revolver/Term Loan on such date.

"REVOLVING COMMITMENT" means, with respect to the Revolving Loan, \$225,000,000, as such amount may be reduced from time to time in accordance with the terms of Section 2.04 hereof, or increased in accordance with Section 2.16 hereof.

"REVOLVING LOAN" means that certain Revolving Loan made to the Borrower on the Closing Date until the Maturity Date in accordance with Section 2.01(a) hereof.

"REVOLVING NOTES" means the promissory notes of the Borrower evidencing the Advances and obligations owing hereunder to each Lender under the Revolving Loan, in substantially the form of

21

EXHIBIT A-1 hereto, each payable to the order of each Lender, as each such note may be amended, extended, restated, renewed, substituted or replaced from time to time.

"REVOLVING UNUSED COMMITMENT" means, on any date of determination, the Revolving Commitment as in effect on such date, minus all outstanding Advances made under the Revolving Loan on such date.

"RIGHTS" means rights, remedies, powers, and privileges.

"SENIOR DEBT" means, without duplication, with respect to the Borrower and the Restricted Subsidiaries, the sum of all Funded Debt of the Borrower and the Restricted Subsidiaries, calculated on a consolidated basis in accordance with GAAP.

"SENIOR LEVERAGE RATIO" means as of any date of determination, the ratio of (a) Senior Debt on such date of determination to (b) Annualized Operating Cash Flow, all calculated for the Borrower and the Restricted Subsidiaries on a consolidated basis in accordance with GAAP consistently applied.

"SENIOR NOTES" means those certain \$150,000,000 ___% Senior Notes due 2007 issued by GCII, pursuant to and in accordance with the Indenture.

"SINGLE EMPLOYER PLAN" means a single employer plan, as defined in Section 4001(a)(15) of ERISA, other than a Multiple Employer Plan, that is maintained for employees of the Borrower or any ERISA Affiliate.

"SOLVENT" means, with respect to any Person, that on such date (a) the fair value of the Property of such Person is greater than the total amount of liabilities, including without limitation Contingent Liabilities of such Person, (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature, and (d) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person's Property would constitute an unreasonably small capital.

"SPECIAL COUNSEL" means the law firm of Donohoe, Jameson & Carroll, P.C., Dallas, Texas, special counsel to Administrative Agent, or such other counsel selected by the Administrative Agent from time to time.

"SPECIFIED PERCENTAGE" means, as to any Lender, the percentage indicated beside its name on the signature pages hereof, or as adjusted or specified in any Assignment and Acceptance, or amendment to this Agreement.

** 1 "SUBORDINATED DEBT" means subordinated indebtedness of the Borrower incurred in accordance with the terms of Section 7.02(d) (ii) hereof.

"SUBSIDIARY" of any Person means any corporation, partnership, limited liability company, joint venture, trust or estate of which (or in which) more than 50% of:

(a) the outstanding Capital Stock having voting power to elect a majority of the Board of Directors of such corporation (or other Persons performing similar functions of such entity, and irrespective of whether at the time Capital Stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency),

(b) the interest in the capital or profits of such partnership or joint venture, or

(c) the beneficial interest of such trust or estate,

is at the time directly or indirectly owned by (i) such Person, (ii) such Person and one or more of its Subsidiaries or (iii) one or more of such Person's Subsidiaries.

"SYSTEM" or "SYSTEMS" means the Borrower's and the other GCI Entities' (a) switched message long distance telephone systems and ancillary services including DAMA, cellular resale and PCS systems between Alaska and the contiguous states and the foreign countries listed on SCHEDULE 1.01 hereto, and any and all other switched message long distance telephone systems, DAMA, cellular resale and PCS systems acquired or owned by the Parents, the Borrower, any of the Restricted Subsidiaries and any of the other GCI Entities from time to time, (b) cable distribution systems owned or acquired by the Borrower or any of its Restricted Subsidiaries which receives audio, video, digital, other broadcast signals or information or telecommunications by cable, optical, antennae, microwave or satellite transmission and which amplifies and transmits such signals to persons who pay to receive such signals, and (c) the Local Telephone Business, and all other such systems owned by the Borrower or any other GCI Entity from time to time.

"TAXES" means all taxes, assessments, imposts, fees, or other charges at any time imposed by any Laws or Tribunal.

"TOTAL DEBT" means, without duplication, with respect to GCII, the Borrower and the Restricted Subsidiaries, the sum of all Funded Debt, calculated on a consolidated basis in accordance with GAAP.

"TOTAL INTEREST EXPENSE" means as of any date of determination for any period of calculation, all GCII's, the Borrower's and the Restricted Subsidiaries' consolidated interest expense included in a consolidated income statement (without deduction of interest income) on Total Debt for such period calculated on a consolidated basis in accordance with GAAP, including without limitation or duplication (or, to the extent not so included, with the addition of) for GCII, the Borrower and the Restricted Subsidiaries: (a) the amortization of Debt discounts; (b) any commitment fees or agency fees related to any Funded Debt, but specifically excluding any one-time facility and/or arrangement fees; (c) any fees or expenses with respect to letters of credit, bankers' acceptances or similar facilities; (d) fees and expenses with respect to interest rate swap or similar agreements or foreign currency hedge, exchange or similar agreements, other than fees or charges related to the acquisition or termination thereof which are not allocable to interest expense in accordance with GAAP; (e) preferred stock Distributions for GCII, the Borrower and the Restricted Subsidiaries declared and payable in cash; and (f) interest capitalized in accordance with GAAP.

"TOTAL LEVERAGE RATIO" means as of any date of determination, the ratio of (a) Total Debt of GCII, the Borrower and the Restricted Subsidiaries on such date of determination to (b) Annualized Operating Cash Flow, all calculated on a consolidated basis in accordance with GAAP consistently applied.

"TRIBUNAL" means any state, commonwealth, federal, foreign, territorial, or other court or government body, subdivision, agency, department, commission, board, bureau, or instrumentality of a governmental body.

"TYPE" refers to the distinction between Advances bearing interest at the Base Rate and LIBOR Rate.

"UCC" means the Uniform Commercial Code as adopted in the State of Texas.

"UNRESTRICTED SUBSIDIARY" means GCI Transport Company, GCI Satellite Company, GCI Fiber Company, Fiber Hold Company and Alaska United Limited Partnership, and, with the prior written consent of the Majority Lenders, any other Subsidiary of the Parents designated as a "Unrestricted Subsidiary" by the Borrower from time to time.

"WHOLLY-OWNED SUBSIDIARY" means any Subsidiary of the Borrower that is owned 100% by the Borrower or either of the Parents, directly or indirectly, except any Unrestricted Subsidiary.

"WITHDRAWAL LIABILITY" has the meaning given such term under Part I of Subtitle E of Title IV of ERISA.

1.02. ACCOUNTING AND OTHER TERMS. All accounting terms used in this Agreement which are not otherwise defined herein shall be construed in accordance with GAAP consistently applied on a consolidated basis for Borrower and the Restricted Subsidiaries, unless otherwise expressly stated

24

herein. References herein to one gender shall be deemed to include all other genders. Except where the context otherwise requires, all references to time are deemed to be Central Standard time.

ARTICLE II. AMOUNTS AND TERMS OF ADVANCES

2.01. THE FACILITIES.

(a) ADVANCES UNDER THE REVOLVING LOAN Each Lender severally agrees, on the terms and subject to the conditions hereinafter set forth, from the Closing Date until the Maturity Date, to make Advances under the Revolving Loan to the Borrower on any Business Day during the period from the Closing Date of this Agreement until the Maturity Date, in an aggregate principal amount not to exceed at any time outstanding such Lender's Specified Percentage of the difference between (i) the Revolving Commitment minus (ii) the sum of the aggregate face amount of all outstanding Letters of Credit plus, without duplication, all reimbursement obligations related to any draw on any Letter of Credit. Subject to the terms and conditions of this Agreement, until the Maturity Date, the Borrower may borrow, repay and reborrow the Advances under the Revolving Loan.

(b) ADVANCES UNDER THE REVOLVER/TERM LOAN. Each Lender severally agrees, on the terms and subject to the conditions hereinafter set forth, from the Closing Date until the Conversion Date, to make Advances under the Revolver/Term Loan to the Borrower on any Business Day during the period from the Closing Date of this Agreement until the Conversion Date, in an aggregate principal amount not to exceed at any time outstanding such Lender's Specified Percentage of the Revolver/Term Commitment. Subject to the terms and conditions of this Agreement, until the Conversion Date, the Borrower may borrow, repay and reborrow the Advances under the Revolver/Term Loan. On the Conversion Date, the aggregate amount of outstanding Advances under the Revolver/Term Loan shall convert to a term loan, at which point the Borrower may not borrow, repay and reborrow the Advances under the Revolver/Term Loan, all Advances under the Revolver/Term Loan being Refinancing Advances on and after the Conversion Date. In addition to the installment repayments due on the Revolver/Term Loan as set forth below, the aggregate amount of all outstanding Revolver/Term Advances are due and payable on the Maturity Date.

2.02. MAKING ADVANCES UNDER THE REVOLVING LOAN AND THE REVOLVER/TERM LOAN.

(a) Each Borrowing of Advances shall be made upon the written notice of the Borrower, received by Administrative Agent not later than (i) 12:00 noon three Business Days prior to the proposed date of the Borrowing, in the case of LIBOR Advances and (ii) not later than 10:00 a.m. on the date of such Borrowing, in the case of Base Rate Advances. Each such notice of a Borrowing (a "BORROWING

25

NOTICE") shall be by telecopy, promptly confirmed by letter, in substantially the form of Exhibit F hereto specifying therein:

(i) the date of such proposed Borrowing, which shall be a Business Day, and whether such Borrowing is under the Revolving Loan or the Revolver/Term Loan;

(ii) the amount of such proposed Borrowing which, (A) if under the Revolving Loan, shall not when aggregated together with all other outstanding Advances under the Revolving Loan plus the sum of the aggregate face amount of all outstanding Letters of Credit plus,

without duplication, all reimbursement obligations related to any draw on any Letter of Credit, exceed the Revolving Commitment, and (B) if under the Revolver/Term Loan prior to the Conversion Date, shall not when aggregated together with all other outstanding Advances under the Revolver/Term Loan exceed the Revolver/Term Commitment, and (C) shall, in the case of a Borrowing of LIBOR Advances, be in an amount of not less than \$1,000,000 or an integral multiple of \$500,000 in excess thereof and, in the case of a Borrowing of Base Rate Advances, be in an amount of not less than \$500,000 or an integral multiple of \$100,000 in excess thereof;

(iii) the Type of Advances of which the Borrowing is to be comprised; and

(iv) if the Borrowing is to be comprised of LIBOR Advances, the duration of the initial Interest Period applicable to such Advances.

If the Borrowing Notice fails to specify the duration of the initial Interest Period for any Borrowing comprised of LIBOR Advances, such Interest Period shall be three months. If the Borrowing Notice fails to specify which Facility the Borrower selects, then such Borrowing shall be made under the Revolving Loan. Each Lender shall, before 1:00 p.m. on the date of each Advance under the Revolving Loan (other than a Refinancing Advance) or Revolver/Term Loan prior to the Conversion Date (other than a Refinancing Advance), make available to

Administrative Agent
NationsBank Plaza
901 Main Street
13th Floor
Dallas, Texas 75202

such Lender's Specified Percentage of the aggregate Advances under the Revolving Loan or the Revolver/Term Loan, as applicable, to be made on that day in immediately available funds.

(b) Unless any applicable condition specified in ARTICLE IV hereof has not been satisfied, Administrative Agent will make the funds on Advances under the Facilities promptly available to the Borrower (other than with respect to a Refinancing Advance) by wiring National Bank of Alaska

26

referencing GCI Holdings Inc., account number *****[037730738, ABA #125200057] ***** or such other account as shall have been specified by the Borrower.

(c) After giving effect to any Borrowing, (i) there shall not be more than eight different Interest Periods in effect under the Facilities, (ii) the aggregate principal of outstanding Advances under the Revolving Loan plus the sum of the aggregate face amount of all outstanding Letters of Credit plus, without duplication, all reimbursement obligations related to any draw on any Letter of Credit, shall not exceed the Revolving Commitment and (iii) if prior to the Conversion Date, the aggregate principal of outstanding Advances under the Revolver/Term Loan shall not exceed the Revolver/Term Commitment.

(d) No Interest Period for a Borrowing under the Facilities shall extend beyond the Maturity Date.

(e) Unless a Lender shall have notified Administrative Agent prior to the date of any Advance that it will not make available its Specified Percentage of any Advance, Administrative Agent may assume that such Lender has made the appropriate amount available in accordance with Section 2.02(a), and Administrative Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If and to the extent any Lender shall not have made such amount available to Administrative Agent, such Lender and the Borrower severally agree to repay to Administrative Agent immediately on demand such corresponding amount together with interest thereon, from the date such amount is made available to the Borrower until the date such amount is repaid to Administrative Agent, at (i) in the case of the Borrower, the Base Rate, and (ii) in the case of such Lender, the Federal Funds Rate.

(f) The failure by any Lender to make available its Specified Percentage of any Advance hereunder shall not relieve any other Lender of its obligation, if any, to make available its Specified Percentage of any Advance. In no event, however, shall any Lender be responsible for the failure of any other Lender to make available any portion of any Advance.

(g) The Borrower shall indemnify each Lender against any Consequential Loss incurred by each Lender as a result of (i) any failure to fulfill, on or before the date specified for the Advance, the conditions to the Advance set forth herein or (ii) the Borrower's requesting that an Advance not be made on the date specified in the Borrowing Notice.

(a) The obligations of the Borrower with respect to the Letters of Credit and all Advances under the Revolving Loan made by each Lender shall be evidenced by a Revolving Note in the form of EXHIBIT A-1 hereto and in the amount of such Lender's Specified Percentage of the Revolving Commitment (as the same may be modified pursuant to Section 10.04 hereof).

27

(b) The obligations of the Borrower with respect to the all Advances under the Revolver/Term Loan made by each Lender shall be evidenced by a Revolver/Term Note in the form of EXHIBIT A-2 hereto and in the amount of such Lender's Specified Percentage of the Revolver/Term Commitment (as the same may be modified pursuant to Section 10.04 hereof).

(c) Absent manifest error, Administrative Agent's and each Lender's records shall be conclusive as to amounts owed Administrative Agent and such Lender under the Notes and this Agreement.

2.04. REDUCTION OF COMMITMENTS.

(A) VOLUNTARY COMMITMENT REDUCTION. The Borrower shall have the right from time to time upon notice by the Borrower to the Administrative Agent not later than 1:00 p.m., three Business Days in advance, to reduce the Revolving Commitment and/or, prior to the Conversion Date, the Revolver/Term Commitment, in each case in whole or in part; provided, however, that the Borrower shall pay the accrued commitment fee on the amount of each such reduction, if any, and any partial reduction shall be in an aggregate amount which is not less than \$1,000,000 and an integral multiple of \$500,000. Such notice shall specify the amount of reduction, the proposed date of such reduction and whether the reduction is being applied to the Revolving Commitment or, if prior to the Conversion Date, the Revolver/Term Commitment.

28

(b) MANDATORY COMMITMENT REDUCTIONS.

(i) SCHEDULED REDUCTIONS IN THE REVOLVING COMMITMENT AND THE REVOLVER/TERM COMMITMENT.

(A) SCHEDULED QUARTERLY REDUCTIONS IN THE REVOLVING COMMITMENT. Commencing September 30, 2000, the Revolving Commitment in effect on such date shall be reduced thereafter from time to time by the Reduction Percentage set forth below on such dates as are set forth below:

Date of Reduction -----	Reduction Percentage -----
September 30, 2000	3.750%
December 31, 2000	3.750%
March 31, 2001	3.750%
June 30, 2001	3.750%
September 30, 2001	3.750%
December 31, 2001	3.750%
March 31, 2002	5.000%
June 30, 2002	5.000%
September 30, 2002	5.000%
December 31, 2002	5.000%
March 31, 2003	5.000%
June 30, 2003	5.000%
September 30, 2003	5.000%
December 31, 2003	5.000%
March 31, 2004	5.625%
June 30, 2004	5.625%
September 30, 2004	5.625%
December 31, 2004	5.625%
March 31, 2005	7.500%
June 30, 2005	7.500%, and the Revolving Commitment shall be zero

(B) FINAL MATURITY - THE REVOLVING LOAN. The Revolving Commitment shall be reduced to zero on the Maturity Date.

29

(C) CONVERSION TO TERM LOAN - THE REVOLVER/TERM LOAN. The Revolver/Term Commitment shall be reduced to zero on the Conversion Date.

(ii) ASSET SALES. On the date of any Asset Sale by any of the GCI Entities (this provision not permitting such Asset Sales),

(A) if there exists no Default or Event of Default (I) prior to the Conversion Date, the Revolving Commitment and the Revolver/Term Commitment shall be automatically and permanently reduced by an amount equal to 100% of the Net Proceeds from any Asset Sales received by any of the GCI Entities in excess of \$10,000,000 in the aggregate over the term of this Agreement, applied pro rata to the Revolving Commitment and the Revolver/Term Commitment, and (II) after the Conversion Date, the Revolving Commitment shall be automatically and permanently reduced by an amount equal to the Revolving Commitment's percentage of the sum of the Revolving Commitment and outstanding amounts under the Revolver/Term Loan, of 100% of the Net Proceeds from any Asset Sales received by any of the GCI Entities in excess of \$10,000,000 in the aggregate over the term of this Agreement, and

(B) if there exists a Default or an Event of Default, (I) prior to the Conversion Date, the Revolving Commitment and the Revolver/Term Commitment shall be automatically and permanently reduced by an amount equal to 100% of the Net Proceeds from any Asset Sales received by any of the GCI Entities applied pro rata to the Revolving Commitment and the Revolver/Term Commitment, and (II) after the Conversion Date, the Revolving Commitment shall be automatically and permanently reduced by an amount equal to the amount required by Section 2.05(b) (i) (B) (II) hereof to repay the outstanding Advances under the Revolving Loan, and

(C) on each such date set forth in (A) and (B) above, the Borrower shall deliver to the Administrative Agent a certificate of an Authorized Officer certifying as to the amount of (including the calculation of) the reduction of the Revolving Commitment and/or Revolver/Term Commitment, as applicable, and, with respect to the Asset Sale giving rise thereto, the gross proceeds thereof and the costs and expenses payable as a result thereof which were deducted in determining the amount of Net Proceeds.

(iii) DEBT ISSUANCE. On the date of any issuance of public or private Subordinated Debt by the Borrower (this provision not permitting such Debt issuance),

(A) if there exists a Default or an Event of Default or if the Total Leverage Ratio equals or is greater than 5.00 to 1.00, (I) prior to the Conversion Date, the Revolving Commitment and the Revolver/Term Commitment shall be automatically and permanently reduced by an amount equal to 100% of the net proceeds from any issuances of Subordinated Debt received by the Borrower, applied pro rata to the

30

Revolving Commitment and the Revolver/Term Commitment, and (II) after the Conversion Date, the Revolving Commitment shall be automatically and permanently reduced by an amount equal to the amount required by Section 2.05(b) (ii) (B) (II) hereof to repay the outstanding Advances under the Revolving Loan, and

(B) on such date, the Borrower shall deliver to the Administrative Agent a certificate of an Authorized Officer certifying as to the amount of (including the calculation of) such reduction in the Revolving Commitment and/or the Revolver/Term Commitment, as applicable, and, with respect to the Debt issuance giving rise thereto, the gross proceeds thereof and the costs and expenses payable as a result thereof which were deducted in determining the amount of net proceeds of such Debt issuance.

(iv) EQUITY ISSUANCES; CHANGE OF CONTROL. On the date of any issuance of equity by any of the GCI Entities (this provision not permitting such equity issuances),

(A) if a Change of Control occurs, the Revolving Commitment and the Revolver/Term Commitment shall be automatically and permanently reduced by to zero, and

(B) if there exists a Default or an Event of Default, (I) prior to the Conversion Date, the Revolving Commitment and the Revolver/Term Commitment shall be automatically and permanently reduced by an amount equal to 100% of the net proceeds from any such equity issuances received by any of the GCI Entities applied pro rata to the Revolving Commitment and the Revolver/Term Commitment, and (II) after the Conversion Date, the Revolving Commitment shall be automatically and permanently reduced by an amount equal to the amount required by Section 2.05(b) (iii) (B) (II) hereof to repay the outstanding Advances under the Revolving Loan, and

(C) on each such date set forth in (A) and (B) above, the Borrower shall deliver to the Administrative Agent a certificate of an Authorized Officer certifying as to the amount of (including the calculation of) the reduction of the Revolving Commitment and/or

Revolver/Term Commitment, as applicable, and, with respect to the equity issuance giving rise thereto, the gross proceeds thereof and the costs and expenses payable as a result thereof which were deducted in determining the amount of net proceeds of such equity issuance.

(v) DISTRIBUTIONS FROM ANY UNRESTRICTED SUBSIDIARY. On the date that any distribution is received by any GCI Entity from any Unrestricted Subsidiary,

(A) if there exists a Default or an Event of Default, (I) prior to the Conversion Date, the Revolving Commitment and the Revolver/Term Commitment shall be

31

automatically and permanently reduced by an amount equal to 100% of the distribution received by any GCI Entity from any Unrestricted Subsidiary, applied pro rata to the Revolving Commitment and the Revolver/Term Commitment, and (II) after the Conversion Date, the Revolving Commitment shall be automatically and permanently reduced by an amount equal to the amount required by Section 2.05(b)(iv)(B)(II) hereof to repay the outstanding Advances under the Revolving Loan, and

(B) on each such date set forth above, the Borrower shall deliver to the Administrative Agent a certificate of an Authorized Officer certifying as to the amount of (including the calculation of) the reduction of the Revolving Commitment and/or Revolver/Term Commitment, as applicable.

(c) COMMITMENT REDUCTIONS, GENERALLY. To the extent the sum of (i) the aggregate outstanding Advances under the Revolving Loan plus (ii) the sum of the aggregate face amount of all outstanding Letters of Credit plus, (iii) without duplication, all reimbursement obligations related to any draw on any Letter of Credit, exceed the Revolving Commitment after any reduction thereof, the Borrower shall immediately repay on the date of such reduction, any such excess amount and all accrued interest thereon, together with any amounts constituting any Consequential Loss. To the extent the sum of the aggregate outstanding Advances under the Revolver/Term Loan exceed the Revolver/Term Commitment after any reduction thereof, the Borrower shall immediately repay on the date of such reduction, any such excess amount and all accrued interest thereon, together with any amounts constituting any Consequential Loss. Once reduced or terminated pursuant to this Section 2.04, neither the Revolving Commitment and/or the Revolver/Term Commitment, as applicable, may be increased or reinstated.

2.05. PREPAYMENTS.

(a) OPTIONAL PREPAYMENTS. The Borrower may, upon at least three Business Days prior written notice to Administrative Agent stating the proposed date and aggregate principal amount of the prepayment, prepay the outstanding principal amount of any Advances in whole or in part, together with accrued interest to the date of such prepayment on the principal amount prepaid without premium or penalty other than any Consequential Loss; PROVIDED, HOWEVER, that in the case of a prepayment of a Base Rate Advance, the notice of prepayment may be given by telephone by 11:00 a.m. on the date of prepayment. Each partial prepayment shall, in the case of Base Rate Advances, be in an aggregate principal amount of not less than \$500,000 or a larger integral multiple of \$100,000 in excess thereof and, in the case of LIBOR Advances, be in an aggregate principal amount of not less than \$1,000,000 or a larger integral multiple of \$500,000 in excess thereof. If any notice of prepayment is given, the principal amount stated therein, together with accrued interest on the amount prepaid and the amount, if any, due under Sections 2.11 and 2.13 hereof, shall be due and payable on the date specified in such notice.

(b) MANDATORY PREPAYMENTS.

32

(i) ASSET SALES. (A) Prior to the Conversion Date, on the date of any Asset Sale of any GCI Entity, the Borrower shall repay the Obligations by an amount equal to 100% of the Net Proceeds, applied pro rata to Advances outstanding under the Revolving Loan and the Revolver/Term Loan, and (B) after the Conversion Date, (I) if there exists no Default or Event of Default, on the date of any Asset Sale of any GCI Entity, the Borrower shall repay the Obligations by an amount equal to 100% of the Net Proceeds, applied to Advances outstanding under the Revolving Loan, and (II) if there exists a Default or Event of Default, on the date of any Asset Sale of any GCI Entity, the Borrower shall repay the Obligations by an amount equal to 100% of the Net Proceeds, applied pro rata to Advances outstanding under the Revolving Loan and Advances outstanding under the Revolver/Term Loan. Any amounts repaying the Revolver/Term Loan on and after the Conversion Date will be applied in the inverse order of maturity and may not be reborrowed. On such date, the Borrower shall deliver to

the Administrative Agent a certificate of an Authorized Officer certifying as to the amount of (including the calculation of) such repayment and, with respect to the Asset Sale giving rise thereto, the gross proceeds thereof and the costs and expenses payable as a result thereof which were deducted in determining the amount of Net Proceeds.

(ii) DEBT ISSUANCES. (A) Prior to the Conversion Date, on the date of any issuance of public or private Subordinated Debt by the Borrower (this provision not permitting such Debt issuance), the Borrower shall repay the Obligations by an amount equal to 100% of the net proceeds from such issuance, applied pro rata to Advances outstanding under the Revolving Loan and the Revolver/Term Loan, and (B) after the Conversion Date, (I) if there exists no Default or Event of Default, on the date of any issuance of any private or public Subordinated Debt by the Borrower, the Borrower shall repay the Obligations by an amount equal to 100% of the net proceeds of such Subordinated Debt issuance, applied to Advances outstanding under the Revolving Loan, and (II) if there exists a Default or Event of Default or if the Total Leverage Ratio is equal to or greater than 5.00 to 1.00, on the date of any such issuance by the Borrower, the Borrower shall repay the Obligations by an amount equal to 100% of the net proceeds of such issuance, applied pro rata to Advances outstanding under the Revolving Loan and Advances outstanding under the Revolver/Term Loan. Any amounts repaying the Revolver/Term Loan on and after the Conversion Date will be applied in the inverse order of maturity and may not be reborrowed. On such date, the Borrower shall deliver to the Administrative Agent a certificate of an Authorized Officer certifying as to the amount of (including the calculation of) such repayment and, with respect to the Debt or equity issuance giving rise thereto, the gross proceeds thereof and the costs and expenses payable as a result thereof which were deducted in determining the amount of net proceeds of such Debt issuance.

(iii) EQUITY ISSUANCES. (A) Prior to the Conversion Date, on the date of any issuance of equity by any GCI Entity, the Borrower shall repay the Obligations by an amount equal to 50% of the net proceeds of such equity issuances in excess of \$50,000,000 in the aggregate over the term of this Agreement, applied pro rata to Advances outstanding under the Revolving Loan and the Revolver/Term Loan, and (B) after the Conversion Date, (I) if

33

there exists no Default or Event of Default, on the date of any issuance of equity by any GCI Entity, the Borrower shall repay the Obligations by an amount equal to 50% of the net proceeds of such equity issuances in excess of \$50,000,000 in the aggregate over the term of this Agreement, applied to Advances outstanding under the Revolving Loan, and (II) if there exists a Default or Event of Default, on the date of any such equity issuance by any GCI Entity, the Borrower shall repay the Obligations by an amount equal to 100% of the net proceeds of such equity issuances, applied pro rata to Advances outstanding under the Revolving Loan and Advances outstanding under the Revolver/Term Loan. Any amounts repaying the Revolver/Term Loan on and after the Conversion Date will be applied in the inverse order of maturity and may not be reborrowed. On such date, the Borrower shall deliver to the Administrative Agent a certificate of an Authorized Officer certifying as to the amount of (including the calculation of) such repayment and, with respect to the equity issuance giving rise thereto, the gross proceeds thereof and the costs and expenses payable as a result thereof which were deducted in determining the amount of net proceeds of such equity issuance.

(iv) DISTRIBUTIONS FROM UNRESTRICTED SUBSIDIARIES. (A) Prior to the Conversion Date, on the date of any receipt by the Borrower or any Restricted Subsidiary of a distribution from any Unrestricted Subsidiary, the Borrower shall repay the Obligations by an amount equal to 100% of such distribution, applied pro rata to Advances outstanding under the Revolving Loan and the Revolver/Term Loan, and (B) after the Conversion Date, (I) if there exists no Default or Event of Default, on the date of any receipt by the Borrower or any Restricted Subsidiary of a distribution from any Unrestricted Subsidiary, the Borrower shall repay the Obligations by an amount equal to 100% of such distribution, applied to Advances outstanding under the Revolving Loan, and (II) if there exists a Default or Event of Default, on the date of any such receipt by the Borrower or any Restricted Subsidiary of a distribution from any Unrestricted Subsidiary, the Borrower shall repay the Obligations by an amount equal to 100% of such distribution, applied pro rata to Advances outstanding under the Revolving Loan and Advances outstanding under the Revolver/Term Loan. Any amounts repaying the Revolver/Term Loan on and after the Conversion Date will be applied in the inverse order of maturity and may not be reborrowed. On such date, the Borrower shall deliver to the Administrative Agent a certificate of an Authorized Officer certifying as to the amount of (including the calculation of) such repayment.

(v) CHANGE OF CONTROL. If a Change of Control occurs, the Borrower shall repay Obligations in full.

(c) PREPAYMENTS, GENERALLY. No prepayments of Advances under the Revolving Loan made solely pursuant to this Section 2.05 shall cause the Commitment to be reduced. Any prepayment of Advances pursuant to this Section 2.05 shall be applied first to Base Rate Advances, if any, then outstanding under the Facilities, SECOND to LIBOR Advances for which the date of prepayment is the last day of the applicable Interest Period, if any, outstanding under the Facilities

34

and THIRD to LIBOR Advances with the shortest remaining Interest Periods outstanding under the Facilities.

2.06. MANDATORY REPAYMENT.

(a) REVOLVING LOAN. On the date of a reduction of the Revolving Commitment pursuant to Section 2.04(b)(i)(A) hereof, to the extent the sum of (a) the aggregate outstanding Advances under the Revolving Loan plus (b) the sum of the aggregate face amount of all outstanding Letters of Credit plus, (c) without duplication, all reimbursement obligations related to any draw on any Letter of Credit, outstanding on the date of reduction exceeds the Revolving Commitment as reduced, such excess amounts shall be immediately due and payable, which principal payment may not be made by means of a Refinancing Advance.

(b) REVOLVER/TERM LOAN INSTALLMENT REPAYMENTS. Commencing September 30, 2000, the aggregate outstanding Advances under the Revolver/Term Loan shall be repaid by the Borrower in installments thereafter from time to time by the Installment Percentage set forth below on such dates as are set forth below of the aggregate Revolver/Term Advances outstanding on the Conversion Date:

Date of Reduction -----	Installment Percentage -----
September 30, 2000	3.750%
December 31, 2000	3.750%
March 31, 2001	3.750%
June 30, 2001	3.750%
September 30, 2001	3.750%
December 31, 2001	3.750%
March 31, 2002	5.000%
June 30, 2002	5.000%
September 30, 2002	5.000%
December 31, 2002	5.000%
March 31, 2003	5.000%
June 30, 2003	5.000%
September 30, 2003	5.000%
December 31, 2003	5.000%
March 31, 2004	5.625%
June 30, 2004	5.625%
September 30, 2004	5.625%
December 31, 2004	5.625%
March 31, 2005	7.500%
June 30, 2005	7.500% and all remaining outstanding Advances all other Obligations shall be due and payable in full

35

(c) FINAL MATURITY. The Borrower agrees that all Advances outstanding under the Revolving Loan, all Advances outstanding under the Revolver/Term Loan, all reimbursement obligations from any draw on any Letter of Credit, and all other outstanding Obligations are due and payable in full on the Maturity Date.

2.07. INTEREST. Subject to Section 2.08 below, the Borrower shall pay interest on the unpaid principal amount of each Advance from the date of such Advance until such principal shall be paid in full, at the following rates, as selected by the Borrower in accordance with the provisions of Section 2.02 hereof:

(a) BASE RATE ADVANCES. Base Rate Advances shall bear interest at a rate per annum equal to the lesser of (i) the Base Rate as in effect from time to time and (ii) the Highest Lawful Rate. If the amount of interest payable in respect of any interest computation period is reduced to the Highest Lawful Rate pursuant to the

immediately preceding sentence and the amount of interest payable in respect of any subsequent interest computation period would be less than the Maximum Amount, then the amount of interest payable in respect of such subsequent interest computation period shall be automatically increased to Maximum Amount; provided that at no time shall the aggregate amount by which interest paid has been increased pursuant to this sentence exceed the aggregate amount by which interest has been reduced pursuant to the immediately preceding sentence.

(b) LIBOR ADVANCES. LIBOR Advances shall bear interest at the rate per annum equal to the LIBOR Rate applicable to such Advance, which at no time shall exceed the Highest Lawful Rate.

(c) PAYMENT DATES. Accrued and unpaid interest on Base Rate Advances shall be paid quarterly in arrears on each Quarterly Date and on the appropriate maturity, repayment or prepayment date. Accrued and unpaid interest on LIBOR Advances shall be paid on the last day of the appropriate Interest Period and on the date of any prepayment or repayment of such Advance; PROVIDED, HOWEVER, that if any Interest Period for a LIBOR Advance exceeds three months, interest shall also be paid on each date occurring during the Interest Period which is the three month anniversary date of the first day of the Interest Period.

2.08. DEFAULT INTEREST. During the continuation of any Event of Default, the Borrower shall pay, on demand, interest (after as well as before judgment to the extent permitted by Law) on the principal amount of all Advances outstanding and on all other Obligations due and unpaid hereunder equal to the lesser of the (a) the Highest Lawful Rate and (b) the Base Rate (whether or not in effect) plus 2.00% per annum.

36

2.09. CONTINUATION AND CONVERSION ELECTIONS.

(a) The Borrower may upon irrevocable written notice to Administrative Agent and subject to the terms of this Agreement:

(i) elect to convert, on any Business Day, all or any portion of outstanding Base Rate Advances (in an aggregate amount not less than \$1,000,000 or a larger integral multiple of \$500,000 in excess thereof) into LIBOR Advances.

(ii) elect to convert at the end of any Interest Period therefor, all or any portion of outstanding LIBOR Advances comprised in the same Borrowing (in an aggregate amount not less than \$500,000 or a larger integral multiple of \$100,000 in excess thereof) into Base Rate Advances; or

(iii) elect to continue, at the end of any Interest Period therefor, any LIBOR Advances;

PROVIDED, HOWEVER, that if the aggregate amount of outstanding LIBOR Advances comprised in the same Borrowing shall have been reduced as a result of any payment, prepayment or conversion of part thereof to an amount less than \$1,000,000, the LIBOR Advances comprised in such Borrowing shall automatically convert into Base Rate Advances at the end of each respective Interest Period.

(b) The Borrower shall deliver a notice of conversion or continuation (a "NOTICE OF CONVERSION/CONTINUATION"), in substantially the form of EXHIBIT E hereto, to Administrative Agent not later than (i) 12:00 noon three Business Days prior to the proposed date of conversion or continuation, if the Advances or any portion thereof are to be converted into or continued as LIBOR Advances; and (ii) not later than 10:00 a.m. on the proposed date of conversion or continuation, if the Advances or any portion thereof are to be converted into Base Rate Advances.

Each such Notice of Conversion/Continuation shall be by telecopy or telephone, promptly confirmed in writing, specifying therein:

(i) the proposed date of conversion or continuation;

(ii) the aggregate amount of Advances to be converted or continued, and whether such Advances are under the Revolving Loan or the Revolver/Term Loan;

(iii) the nature of the proposed conversion or continuation; and

(iv) the duration of the applicable Interest Period.

37

(c) If, upon the expiration of any Interest Period applicable to LIBOR

Advances, the Borrower shall have failed to select a new Interest Period to be applicable to such LIBOR Advances or if an Event of Default shall then have occurred and be continuing, the Borrower shall be deemed to have elected to convert such LIBOR Advances into Base Rate Advances effective as of the expiration date of such current Interest Period.

(d) Upon receipt of a Notice of Conversion/Continuation, Administrative Agent shall promptly notify each Lender thereof. All conversions and continuations shall be made pro rata among Lenders based on their Specified Percentage of the respective outstanding principal amounts of the Advances with respect to which such notice was given held by each Lender.

(e) Notwithstanding any other provision contained in this Agreement, after giving effect to any conversion or continuation of any Advances, there shall not be outstanding Advances with more than eight different Interest Periods.

2.10. FEES.

(a) Subject to Section 10.09 hereof, the Borrower agrees to pay to the Administrative Agent, for the account of the Lenders in accordance with their Specified Percentages, a commitment fee on the average daily amount of the Revolving Unused Commitment, from the Closing Date through the Maturity Date, at the rate of .375% per annum, payable quarterly in arrears on each Quarterly Date occurring after the Closing Date, with the last such payment due and owing on the Maturity Date.

(b) Subject to Section 10.09 hereof, the Borrower agrees to pay to the Administrative Agent, for the account of the Lenders in accordance with their Specified Percentages, a commitment fee on the average daily amount of the Revolver/Term Unused Commitment, from the Closing Date through the Conversion Date, at the rate of .125% per annum, payable quarterly in arrears on each Quarterly Date occurring after the Closing Date, with the last such payment due and owing on the Conversion Date.

(c) Subject to Section 10.09 hereof, the Borrower agrees to pay to the Administrative Agent for its own account as administrative lender and underwriter, and to NationsBanc Capital Markets, Inc., as arranger hereunder, such fees as agreed to in writing among the Borrower and the Administrative Agent and NationsBanc Capital Markets, Inc., payable as set forth in that certain Fee Letter executed among the Borrower, the Administrative Agent and NationsBanc Capital Markets, Inc. in accordance with the terms of the Fee Letter.

2.11. FUNDING LOSSES. If the Borrower makes any payment or prepayment of principal with respect to any LIBOR Advance (including payments made after any acceleration thereof) or converts any Advance from a LIBOR Advance on any day other than the last day of an Interest Period applicable thereto or if the Borrower fails to prepay, borrower, convert, or continue any LIBOR Advance after a notice of prepayment, borrowing, conversion or continuation has been given (or is

38

deemed to have been given) to Administrative Agent, the Borrower shall pay to each Lender on demand (subject to Section 10.09 hereof) any Consequential Loss. The Borrower agrees that each Lender is not obligated to actually reinvest the amount prepaid in any specific obligation as a condition to receiving any Consequential Loss, or otherwise.

2.12. COMPUTATIONS AND MANNER OF PAYMENTS.

(a) The Borrower shall make each payment hereunder and under the other Loan Papers not later than 1:00 p.m. on the day when due in same day funds to Administrative Agent, for the Ratable account of Lenders unless otherwise specifically provided herein, at

Administrative Agent
NationsBank Plaza
901 Main Street
13th Floor
Dallas, Texas 75202

for further credit to the account of GCI Holdings, Inc. No later than the end of each day when each payment hereunder is made, the Borrower shall notify the Administrative Agent, telephone (800) 880-5537, facsimile (214) 508-2515, or such other Person as Administrative Agent may from time to time specify.

(b) Unless Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due hereunder that the Borrower will not make payment in full, Administrative Agent may assume that such payment is so made on such date and may, in reliance upon such assumption, make distributions to Lenders. If and to the extent the Borrower shall not have made such payment in full, each Lender shall repay to Administrative Agent forthwith on demand the applicable amount distributed,

together with interest thereon at the Federal Funds Rate, from the date of distribution until the date of repayment. The Borrower hereby authorizes each Lender, if and to the extent payment is not made when due hereunder, to charge the amount so due against any account of the Borrower with such Lender.

(c) Subject to Section 10.09 hereof, interest on LIBOR Advances shall be calculated on the basis of actual days elapsed but computed as if each year consisted of 360 days. Subject to Section 10.09 hereof, interest on Base Rate Advances, the Commitment Fees and other amounts due under the Loan Papers shall be calculated on the basis of actual days elapsed but computed as if each year consisted of 365 or 366 days, as the case may be. Such computations shall be made including the first day but excluding the last day occurring in the period for which such interest, payment or Commitment Fees is payable. Each determination by Administrative Agent or a Lender of an interest rate, fee or commission hereunder shall be conclusive and binding for all purposes, absent manifest error. All payments under the Loan Papers shall be made in United States dollars, and without setoff, counterclaim, or other defense.

39

(d) Except as specifically set forth in Sections 2.04 and 2.05 hereof, so long as there exists no Default or Event of Default all payments made by the Borrower shall be applied as designated by the Borrower, and, if there exists a Default or Event of Default, or if the Borrower fails to designate application of payments, all payments made by the Borrower shall be applied pro rata among the Revolving Loan and the Revolver/Term Loan. Notwithstanding anything herein or in any Loan Paper to the contrary, any payment made by the Borrower in excess of the Revolving Commitment, the Revolver/Term Commitment or outstanding Advances under either the Revolving Loan or the Revolver/Term Loan, shall be applied to outstanding amounts (or to reduce the commitment) of any other outstanding Obligations.

(e) Reference to any particular index or reference rate for determining any applicable interest rate under this Agreement is for purposes of calculating the interest due and is not intended as and shall not be construed as requiring any Lender to actually fund any Advance at any particular index or reference rate.

2.13. YIELD PROTECTION.

(a) If any Lender determines that either (i) the adoption, after the date hereof, of any Applicable Law, rule, regulation or guideline regarding capital adequacy and applicable to commercial banks or financial institutions generally or any change therein, or any change, after the date hereof, in the interpretation or administration thereof by any Tribunal, central bank or comparable agency charged with the interpretation or administration thereof, or (ii) compliance by any Lender (or Lending Office of any Lender) with any request or directive made after the date hereof applicable to commercial banks or financial institutions generally regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency has the effect of reducing the rate of return on such Lender's capital as a consequence of its obligations hereunder to a level below that which such Lender could have achieved but for such adoption, change or compliance (taking into consideration such Lender's policies with respect to capital adequacy (but excluding consequences of such Lender's negligence or intentional disregard of law or regulation)) by an amount reasonably deemed by such Lender to be material, then from time to time, within fifteen days after demand by such Lender, the Borrower shall pay to such Lender such additional amount or amounts as will adequately compensate such Lender for such reduction. Each Lender will notify the Borrower of any event occurring after the date of this Agreement which will entitle such Lender to compensation pursuant to this Section 2.13(a) as promptly as practicable after such Lender obtains actual knowledge of such event; PROVIDED, no Lender shall be liable for its failure or the failure of any other Lender to provide such notification. A certificate of such Lender claiming compensation under this Section 2.13(a), setting forth in reasonable detail the calculation of the additional amount or amounts to be paid to it hereunder and certifying that such claim is consistent with such Lender's treatment of similar customers having similar provisions generally in their agreements with such Lender shall be conclusive in the absence of manifest error. Each Lender shall use reasonable efforts to mitigate the effect upon the Borrower of any such increased costs payable to such Lender under this Section 2.13(a).

40

(b) If, after the date hereof, any Tribunal, central bank or other comparable authority, at any time imposes, modifies or deems applicable any reserve (including, without limitation, any imposed by the Board of Governors of the Federal Reserve System), special deposit or similar requirement against assets of, deposits with or for the amount of, or credit extended by, any Lender, or imposes on any Lender any other condition affecting a Letter of Credit, a LIBOR Advance, the Notes, or its obligation to make a LIBOR Advance; and the result of any of the foregoing is to increase the cost to

such Lender of making or maintaining its Letter of Credit, LIBOR Advances, or to reduce the amount of any sum received or receivable by such Lender under this Agreement or under the Notes or reimbursement obligations by an amount deemed by such Lender, to be material, then, within five days after demand by such Lender, the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender for such increased cost or reduction. Each Lender will (i) notify the Borrower and Administrative Agent of any event occurring after the date of this Agreement that entitles such Lender to compensation pursuant to this Section 2.13(b), as promptly as practicable after such Lender obtains actual knowledge of the event; provided, no Lender shall be liable for its failure or the failure of any other Lender to provide such notification and (ii) use good faith and reasonable efforts to designate a different Lending Office for LIBOR Advances of such Lender if the designation will avoid the need for, or reduce the amount of, the compensation and will not, in the sole opinion of such Lender, be disadvantageous to such Lender. A certificate of such Lender claiming compensation under this Section 2.13(b), setting forth in reasonable detail the computation of the additional amount or amounts to be paid to it hereunder and certifying that such claim is consistent with such Lender's treatment of similar customers having similar provisions generally in their agreements with such Lender shall be conclusive in the absence of manifest error. If such Lender demands compensation under this Section 2.13(b), the Borrower may at any time, on at least five Business Days' prior notice to such Lender (i) repay in full the then outstanding principal amount of LIBOR Advances, of such Lender, together with accrued interest thereon, or (ii) convert the LIBOR Advances to Base Rate Advances in accordance with the provisions of this Agreement; PROVIDED, HOWEVER, that the Borrower shall be liable for the Consequential Loss arising pursuant to those actions.

(c) Notwithstanding any other provision of this Agreement, if the introduction of or any change in or in the interpretation or administration of any Law shall make it unlawful, or any central bank or other Tribunal shall assert that it is unlawful, for a Lender to perform its obligations hereunder to issue or maintain Letters of Credit, make LIBOR Advances or to continue to fund or maintain LIBOR Advances hereunder, then, on notice thereof and demand therefor by such Lender to the Borrower, (i) each LIBOR Advance will automatically, upon such demand, convert into a Base Rate Advance, (ii) the obligation of such Lender to make, or to convert Advances into, LIBOR Advances shall be suspended until such Lender notifies Administrative Agent and the Borrower that such Lender has determined that the circumstances causing such suspension no longer exist and (iii) the obligation of such Lender to make or maintain Letters of Credit shall be suspended until such Lender notifies Administrative Agent and the Borrower that such Lender has determined that the circumstances causing such suspension no longer exist.

41

(d) Upon the occurrence and during the continuance of any Default or Event of Default, (i) each LIBOR Advance will automatically, on the last day of the then existing Interest Period therefor, convert into a Base Rate Advance and (ii) the obligation of each Lender to make, or to convert Advances into, LIBOR Advances shall be suspended.

(e) Failure on the part of any Lender to demand compensation for any increased costs, increased capital or reduction in amounts received or receivable or reduction in return on capital pursuant to this Section 2.13 with respect to any period shall not constitute a waiver of any Lender's right to demand compensation with respect to such period or any other period, subject, however, to the limitations set forth in this Section 2.13.

(f) The obligations of the Borrower under this Section 2.13 shall survive any termination of this Agreement.

(g) Determinations by Lenders for purposes of this Section 2.13 shall be conclusive, absent manifest error. Any certificate delivered to the Borrower by a Lender pursuant to this Section 2.13 shall include in reasonable detail the basis for such Lender's demand for additional compensation and a certification that the claim for compensation is consistent with such Lender's treatment of similar customers having similar provisions generally in their agreements with such Lender.

(h) If any Lender notifies Administrative Agent that the LIBOR Rate for any Interest Period for any LIBOR Advances will not adequately reflect the cost to such Lender of making, funding or maintaining LIBOR Advances for such Interest Period, Administrative Agent shall promptly so notify the Borrower, whereupon (i) each such LIBOR Advance will automatically, on the last day of the then existing Interest Period therefor, convert into a Base Rate Advance and (ii) the obligation of such Lender to make, or to convert Advances into, LIBOR Advances shall be suspended until such Lender notifies Administrative Agent that such Lender has determined that the circumstances causing such suspension no longer exist and Administrative Agent notifies the Borrower of such fact.

2.14. USE OF PROCEEDS. The proceeds of the Advances shall be available (and the Borrower shall use such proceeds) to (a) refinance existing Funded Debt of the Borrower, (b) fund Capital Expenditures of the Borrower and the Restricted Subsidiaries permitted by the terms of this Agreement, (c) contribute \$50,000,000 to the capitalization of AULP and (d) use for general working capital purposes.

2.15. COLLATERAL AND COLLATERAL CALL.

(a) COLLATERAL. Payment of the Obligations is secured by (i) ***[subject to the Prior Stock Lien]***, a first perfected security interest in 100% of the Capital Stock the Borrower and the Restricted Subsidiaries and 100% of the Capital Stock of the Guarantors (other than GCI) except the Parents, (ii) subject to Permitted Liens, a first perfected security interest in all of the accounts, equipment, inventory, chattel paper, general intangibles, and other assets of the Borrower, the

42

Restricted Subsidiaries and the Guarantors (except GCI), and (iii) a Guaranty of the Obligations executed by each Guarantor (collectively, together with all other Properties or assets of the Borrower, the Restricted Subsidiaries and other Persons securing the Obligations from time to time, the "Collateral"). The Borrower agrees that it will, and will cause the Restricted Subsidiaries, the other GCI Entities and Affiliates (except the Unrestricted Subsidiaries) to, execute and deliver, or cause to be executed and delivered, such documents as the Administrative Agent may from time to time reasonably request to create and perfect a first Lien ***[(except with respect to the stock of GCI Leasing Co., Inc., which shall be a second Lien behind the Prior Stock Lien) for the benefit of the Administrative Agent and the Lenders in the Collateral.]***

(b) COLLATERAL CALL. The Borrower agrees that it will, and will cause any other Person owning any interest in the Borrower or any Restricted Subsidiary or other GCI Entity from time to time to immediately pledge such interest to secure the Obligations, pursuant to a pledge agreement substantially in the form of the Pledge Agreements. The Borrower agrees to, and agrees to cause the Restricted Subsidiaries and each other GCI Entity to, promptly grant the Administrative Agent and the Lenders from time to time at the request of the Lenders a Lien on any of the Property of the Borrower or other GCI Entity not already constituting Collateral. In that regard, the Borrower shall, and shall cause each other GCI Entity to, use best efforts to assist the Administrative Agent and the Lenders in creating and perfecting a first Lien, subject to Permitted Liens, for the benefit of Administrative Agent and Lenders securing the Obligations in any such Property of the Borrower and each other GCI Entity, including, without limitation, providing the Administrative Agent with title commitments, appraisals, surveys (with flood plain certification), mortgagee title insurance, evidence of insurance including flood hazard insurance, environmental audits, UCC-11 searches, Tax and Lien searches, recorded real estate documents, intellectual property documentation and registration and other similar types of documents, consents, Authorizations, instruments and agreements relating to all Property of the Borrower and each other GCI Entity as reasonably requested by the Administrative Agent from time to time.

2.16. INCREASE OF REVOLVING COMMITMENT. From the Closing Date through June 30, 2000, the Borrower may increase the Revolving Commitment by up to an additional \$100,000,000 subject to the satisfaction of each of the following conditions:

(a) there exists no Default or Event of Default both on the date of notice of such election and on the date of consummation of such event,

(b) such amount is used exclusively to refinance all indebtedness (except agreed to baskets) of GCI Transport Company and the other Unrestricted Subsidiaries,

(c) the Borrower receives additional commitments from existing Lenders or other creditors acceptable to the Managing Agents and the Borrower for the increased amount in the Commitment (which increase shall be in each Lender's sole discretion),

43

(d) (i) the Borrower and each Subsidiary of the Borrower pledges 100% of the Capital Stock of each Unrestricted Subsidiary pursuant to a pledge agreement in form and substance substantially similar to the pledge agreement executed on the Closing Date securing the Obligations, (ii) each such Unrestricted Subsidiary shall become a Restricted Subsidiary under the Loan Papers, (iii) each such Unrestricted Subsidiary executes a Guaranty of the Obligations substantially similar to the Guaranty executed by the Restricted Subsidiaries on the Closing Date and (iv) each such Unrestricted Subsidiary executes a security agreement and deeds of trust, mortgages, collateral assignments and all other collateral documents necessary or advisable to grant a prior first perfected Lien on all tangible and intangible assets of

each such Unrestricted (now Restricted) Subsidiary, subject to Permitted Liens,

(e) the Borrower has delivered prior to such consummation (i) pro forma projections for the GCI Entities through the Maturity Date and (ii) a pro forma compliance certificate, demonstrating compliance with all repayment, prepayment and reduction of commitment terms hereof, and with each financial covenant included in Section 7.01 hereof, in form and detail satisfactory to the Managing Agents and the Majority Lenders in their reasonable judgment,

(f) On any date of proposed increase, the representations and warranties contained in Article V hereof are true and correct on such date, as though made on and as of such date, except to the extent expressly made only as of a prior date,

(g) On any date of proposed increase, there shall have occurred no material adverse change in the business, assets or financial condition of the businesses of the Borrower (as operated by the Restricted Subsidiaries) since December 31, 1996,

(h) On any date of proposed increase, the sum of (i) all Advances outstanding under the Revolving Loan, plus (ii) the aggregate face amount of all outstanding Letters of Credit, plus (iii) (without duplication) the sum of the aggregate reimbursement obligations, shall not exceed the Revolving Commitment,

(i) The proposed increase shall occur prior to June 30, 2000 and shall not be in excess of the sum of \$100,000,000, and

(j) The Administrative Agent and each Lender shall have received a written request from the Borrower not less than 30 days prior to such increase.

ARTICLE III. LETTERS OF CREDIT

3.01. ISSUANCE OF LETTERS OF CREDIT. The Borrower shall give the Administrative Agent not less than five Business Days prior written notice of a request for the issuance of a Letter of Credit, and the Administrative Agent shall promptly notify each Lender of such request. Upon receipt of the Borrower's properly completed and duly executed Applications, and subject to the terms of such

44

Applications and to the terms of this Agreement, the Administrative Agent agrees to issue Letters of Credit on behalf of the Borrower in an aggregate face amount not in excess of the Letter of Credit Commitment at any one time outstanding. No Letter of Credit shall have a maturity extending beyond the earliest of (a) the Maturity Date, or (b) one year from the date of its issuance, or (c) such earlier date as may be required to enable the Borrower to satisfy its repayment obligations under Section 2.06 hereof. Subject to such maturity limitations and so long as no Default or Event of Default has occurred and is continuing or would result from the renewal of a Letter of Credit, the Letters of Credit may be renewed by the Administrative Agent in its discretion. The Lenders shall participate ratably in any liability under the Letters of Credit and in any unpaid reimbursement obligations of the Borrower with respect to any Letter of Credit in their Specified Percentages.

The amount of the Letters of Credit issued and outstanding and the unpaid reimbursement obligations of the Borrower for such Letters of Credit shall reduce the amount of Revolving Commitment available, so that at no time shall the sum of (i) the aggregate outstanding Advances under the Revolving Loan plus (ii) the sum of the aggregate face amount of all outstanding Letters of Credit plus, (iii) without duplication, all reimbursement obligations related to any draw on any Letter of Credit, exceed the Revolving Commitment, and at no time shall the sum of all Advances by any Lender made under the Revolving Loan, plus its ratable share of amounts available to be drawn under the Letters of Credit and the unpaid reimbursement obligations of the Borrower in respect of such Letters of Credit exceed its Specified Percentage of the Revolving Commitment.

3.02. LETTERS OF CREDIT FEES. (a) In consideration for the issuance (and any renewal) of each Letter of Credit, the Borrower shall pay to the Administrative Agent for its sole account as issuer, a fee in an amount equal to .50% multiplied by the face amount of each such Letter of Credit. Each fee for a Letter of Credit shall be due and payable in full on the date of issuance of each Letter of Credit, and each renewal of each Letter of Credit.

(b) In consideration for the issuance (and any renewal) of each Letter of Credit, the Borrower shall pay to the Administrative Agent for the account of the Administrative Agent and the Lenders in accordance with their Specified Percentages, a per annum fee in an amount equal to 1.00% multiplied by the face amount of each such Letter of Credit. Each fee for a Letter of Credit shall be due and payable quarterly in arrears on each Quarterly Date until the expiration or termination of such Letter of Credit.

3.03. REIMBURSEMENT OBLIGATIONS.

(a) The Borrower hereby agrees to reimburse Administrative Agent immediately upon demand by Administrative Agent, and in immediately available funds, for any payment or disbursement made by Administrative Agent under any Letter of Credit. Payment shall be made by the Borrower with interest on the amount so paid or disbursed by Administrative Agent from and including the date payment is made under any Letter of Credit to and including the date of payment, at the lesser of (i) the Highest Lawful Rate, and (ii) the sum of the Base Rate in effect from time to time plus 3% per annum; PROVIDED, HOWEVER, that if the Borrower would be permitted under the terms of Section 2.01, Section 2.02 and Section 4.02 to borrow Advances in amounts at least equal to their

45

reimbursement obligation for a drawing under any Letter of Credit, a Base Rate Advance by each Lender, in an amount equal to such Lender's Specified Percentage, shall automatically be deemed made on the date of any such payment or disbursement made by Administrative Agent in the amount of such obligation and subject to the terms of this Agreement.

(b) The Borrower hereby also agrees to pay to Administrative Agent immediately upon demand by Administrative Agent and in immediately available funds, as security for their reimbursement obligations in respect of the Letters of Credit under Section 3.03(a) hereof and any other amounts payable hereunder and under the Notes, an amount equal to the aggregate amount available to be drawn under Letters of Credit then outstanding, irrespective of whether the Letters of Credit have been drawn upon, at the occurrence of any of the following events: (i) upon an Event of Default, and (ii) upon a Change of Control. Any such payments shall be deposited in a separate account designated "GCI Special Account" or such other designation as Administrative Agent shall elect. All such amounts deposited with Administrative Agent shall be and shall remain funds of the Borrower on deposit with Administrative Agent and shall be invested by Administrative Agent in an interest bearing account, as Administrative Agent shall determine. Such amounts may not be used by Administrative Agent to pay the drawings under the Letters of Credit; however, such amounts may be used by Administrative Agent as reimbursement for Letter of Credit drawings which Administrative Agent has paid. If any amounts in the GCI Special Account shall have been deposited upon the occurrence of an Event of Default only and such Event of Default shall have been subsequently cured or waived and no other Event of Default exists, the Borrower shall be relieved of its obligations under this Section 3.03(b) until either of the two events specified in Section 3.03(b)(i) or Section 3.03(b)(ii) shall occur again. During the existence of an Event of Default but after the expiry of any Letter of Credit that was not drawn upon, the Borrower may direct the Administrative Agent to use any cash collateral for any such expired Letter of Credit, if any, to reduce the amount of the Obligations. Any amounts remaining in the GCI Special Account, including any remaining interest, after the date of the expiry of all Letters of Credit and after all Obligations have been paid in full, shall be repaid to the Borrower promptly after such expiry and such payment in full.

(c) The obligations of the Borrower under this Section 3.03 will continue until all Letters of Credit have expired and all reimbursement obligations with respect thereto have been paid in full by the Borrower and until all other Obligations shall have been paid in full.

(d) The Borrower shall be obligated to reimburse Administrative Agent upon demand for all amounts paid under the Letters of Credit as set forth in Section 3.03(a) hereof; PROVIDED, HOWEVER, if the Borrower for any reason fails to reimburse Administrative Agent in full upon demand, whether by borrowing Advances to pay such reimbursement obligations or otherwise, the Lenders shall reimburse Administrative Agent in accordance with each Lender's Specified Percentage for amounts due and unpaid from the Borrower as set forth in Section 3.04 hereof; PROVIDED, HOWEVER, that no such reimbursement made by the Lenders shall discharge the Borrower's obligations to reimburse Administrative Agent.

46

(e) The Borrower shall indemnify and hold Administrative Agent or any Lender, its officers, directors, representatives and employees harmless from loss for any claim, demand or liability which may be asserted against Administrative Agent or such indemnified party in connection with actions taken under the Letters of Credit or in connection therewith (INCLUDING LOSSES RESULTING FROM THE NEGLIGENCE OF ADMINISTRATIVE AGENT OR SUCH INDEMNIFIED PARTY), and shall pay Administrative Agent for reasonable fees of attorneys (who may be employees of Administrative Agent) and legal costs paid or incurred by Administrative Agent in connection with any matter related to the Letters of Credit, except for losses and liabilities incurred as a direct result of the gross negligence or wilful misconduct of Administrative Agent or such indemnified party. If the Borrower for any reason fails to indemnify or pay Administrative Agent or such indemnified party as set forth herein in

full, the Lenders shall indemnify and pay Administrative Agent upon demand, in accordance with each Lender's Specified Percentage of such amounts due and unpaid from the Borrower. The provisions of this Section 3.03(e) shall survive the termination of this Agreement.

3.04. LENDERS' OBLIGATIONS. Each Lender agrees, unconditionally and irrevocably to reimburse Administrative Agent (to the extent Administrative Agent is not otherwise reimbursed by the Borrower in accordance with Section 3.03(a) hereof) on demand for such Lender's Specified Percentage of each draw paid by Administrative Agent under any Letter of Credit. All amounts payable by any Lender under this subsection shall include interest thereon at the Federal Funds Effective Rate, from the date of the applicable draw to the date of reimbursement by such Lender. No Lender shall be liable for the performance or nonperformance of the obligations of any other Lender under this Section. The obligations of the Lenders under this Section shall continue after the Maturity Date and shall survive termination of any Loan Papers.

3.05. ADMINISTRATIVE AGENT'S OBLIGATIONS.

(a) Administrative Agent makes no representation or warranty, and assumes no responsibility with respect to the validity, legality, sufficiency or enforceability of any Application or any document relative thereto or to the collectibility thereunder. Administrative Agent assumes no responsibility for the financial condition of the Borrower and the Restricted Subsidiaries or for the performance of any obligation of the Borrower. Administrative Agent may use its discretion with respect to exercising or refraining from exercising any rights, or taking or refraining from taking any action which may be vested in it or which it may be entitled to take or assert with respect to any Letter of Credit or any Application.

(b) Except as set forth in subsection (c) below, Administrative Agent shall be under no liability to any Lender, with respect to anything the Administrative Agent may do or refrain from doing in the exercise of its judgment, the sole liability and responsibility of Administrative Agent being to handle each Lender's share on as favorable a basis as Administrative Agent handles its own share and to promptly remit to each Lender its share of any sums received by Administrative Agent under any Application. Administrative Agent shall have no duties or responsibilities except those expressly set forth herein and those duties and liabilities shall be subject to the limitations and qualifications set forth herein.

47

(c) Neither Administrative Agent nor any of its directors, officers, or employees shall be liable for any action taken or omitted (whether or not such action taken or omitted is expressly set forth herein) under or in connection herewith or any other instrument or document in connection herewith, except for gross negligence or willful misconduct, and no Lender waives its right to institute legal action against Administrative Agent for wrongful payment of any Letter of Credit due to Administrative Agent's gross negligence or willful misconduct. Administrative Agent shall incur no liability to any Lender, the Borrower or any Affiliate of the Borrower or Lender in acting upon any notice, document, order, consent, certificate, warrant or other instrument reasonably believed by Administrative Agent to be genuine or authentic and to be signed by the proper party.

ARTICLE IV. CONDITIONS PRECEDENT

4.01. CONDITIONS PRECEDENT TO THE INITIAL ADVANCE. The obligations of each Lender under this Agreement and the obligation of each Lender to make the Initial Advance shall be subject to the following conditions precedent that on the Closing Date:

(a) All terms, conditions and documentation in connection with this Credit Agreement shall be acceptable to the Lenders.

(b) The making of the Revolving Commitment and/or the Revolver/Term Commitment shall not contravene any Law applicable to the Administrative Agent or any Lender.

(c) Each Lender shall have received a Certificate from an Authorized Officer stating that no Material Adverse Change, as determined by the Lenders, shall have occurred and be continuing (A) in the financial markets, or (B) in the Systems, business, assets, prospects, or financial condition of the businesses of the Borrower (as operated by the Restricted Subsidiaries) since December 31, 1996.

(d) All proceedings of the Borrower, the Restricted Subsidiaries and each other GCI Entity taken in connection with the transactions contemplated hereby, and all documents incidental thereto, shall be reasonably satisfactory in form and substance to the Lenders. Each Lender shall have received copies of all documents or other evidence that it may reasonably request in connection with such transactions.

(e) Each Lender shall have received an executed copy of this Agreement and its respective Notes, duly completed and correct. The Lenders shall have received copies of the Fee Letters signed by the Borrower, as applicable. Each of the following shall have been delivered to the Administrative Agent on behalf of Lenders, in form and substance satisfactory to the Administrative Agent, Special Counsel and each Lender to the extent required by the Administrative Agent: Each other Loan Paper requested by the Administrative Agent, including, without limitation, all guarantees, pledge agreements, security agreements, mortgages, deeds of trust, collateral assignments and other agreements granting any interest in any collateral.

48

(f) The Borrower shall have delivered to each Lender a Certificate, dated the Closing Date, executed by an Authorized Officer on behalf of the Borrower, GCII and each Restricted Subsidiary, certifying that (i) no Default or Event of Default has occurred and is continuing, (ii) the representations and warranties set forth in Article V hereof are true and correct, (iii) each of the GCI Entities has complied with all agreements and conditions to be complied with by it under the Loan Papers by such date, (iv) that the attached resolutions for each GCI Entity are the true, accurate and complete resolutions authorizing the corporate restructuring, the incurrence and performance of the Facilities and the Loan Papers, (v) that the attached copies of certified articles of incorporation, or other articles of organization, certificates of good standing, certificates of existence and incumbency certificates for each GCI Entity are (A) not more than 30 days old and certified by the appropriate secretary of state of other governmental organization and (B) represent the true and accurate certificate for each such entity and (vi) the attached copies of by-laws or other organizational documents represent the true and accurate by-laws or other organizational documents for each GCI Entity in effect on the Closing Date.

(g) Each Lender shall have received opinions of (i) Sherman & Howard, L.L.C. corporate counsel to the Borrower, the Restricted Subsidiaries and each other GCI Entity, dated the Closing Date, acceptable to the Lenders and otherwise in form and substance satisfactory to the Lenders and Special Counsel, with respect to this loan transaction and otherwise, including, without limitation, opinions (A) to the valid and binding nature of the Loan Papers, (B) to the enforceability of the Loan Papers, (C) to the power, authorization and corporate matters of each such Person taken in connection with the transactions contemplated by the Loan Papers, (D) that the execution, delivery and performance by the GCI Entities, as applicable, of the Agreement and the Loan Papers does not violate any of the terms of the Borrower's, the Restricted Subsidiaries' or any other GCI Entities' agreements, (E) regarding and the issuance and related opinions to the Senior Notes, (F) the corporate restructuring in order to effectuate this Agreement and the issuance of the Senior Notes, (G) regarding the equity issuance required by Section 4.01(j) hereof, and (H) to such other matters as are reasonably requested by Special Counsel, and (ii) such local counsel opinions relating to the Collateral and such other matters as are requested by the Administrative Agent and Special Counsel. Copies of all opinions delivered in connection with the equity issuance required by Section 4.01(j) hereof, the Senior Notes shall be delivered to the Administrative Agent together with a reliance letter thereon.

(h) Each Lender shall have received an opinion of inhouse counsel to the Borrower and to each other GCI Entity, dated as of the Closing Date, acceptable to the Lenders and otherwise in form and substance satisfactory to the Lenders and Special Counsel, with respect to this transaction and final approval shall have been received from the FCC regarding any transfer of any FCC license.

(i) GCII shall have (i) issued the Senior Notes in an amount not less than \$150,000,000, on terms and conditions, and subject to documentation, satisfactory to the Administrative Agent and each Lender, and (ii) downstreamed the net proceeds of the debt issuance described in (i) above to the Borrower as equity.

49

(j) ****[GCI shall have raised not less than \$_____ in equity on terms and conditions acceptable to the Administrative Agent and the Lenders, and the Borrower shall have (i) received not less than \$_____ as an equity contribution from such proceeds, on terms and conditions acceptable to the Administrative Agent and each Lender, (ii) downstreamed the net proceeds of the equity issuance described in (i) above to the Borrower as equity.]*** ****IF EQUITY WILL NOT BE RAISED PRIOR TO EXECUTION OF THIS AGREEMENT, WE WILL DELETE THIS CONDITION PRECEDENT AND CHANGE THE COVENANTS IN SECTION 7.01 TO REFLECT THE ALTERNATE PROVISIONS IN THE COMMITMENT LETTER AND TERM SHEET****

(k) All Affiliate transactions among any of the Borrower, the Parents and their Affiliates shall be pursuant to terms and conditions acceptable to the Administrative Agent and the Lenders.

(l) No management agreement with any Person shall be in existence at the Parents, the Borrower or any Restricted Subsidiaries, except the Prime Management Agreement.

(m) All proceedings of the Parents, the Borrower and the Subsidiaries of the Parents and the Borrower taken in connection with the transactions contemplated hereby, and all documents incidental thereto, shall be satisfactory in form and substance to each Lender. The Administrative Agent and each Lender shall have received copies of all documents or other evidence that it may reasonably request in connection with such transactions.

(n) All Obligations outstanding under the existing credit facility shall have been paid in full and released.

4.02. CONDITIONS PRECEDENT TO ALL ADVANCES AND LETTERS OF CREDIT. The obligation of each Lender to make each Advance which constitutes an increase (including the Initial Advance), and the obligation of the Administrative Agent to issue any Letter of Credit shall be subject to the further conditions precedent that on the date of such Advance or such issuance of such Letter of Credit the following statements shall be true:

(i) The representations and warranties contained in ARTICLE V hereof are true and correct on such date, as though made on and as of such date (and the delivery of each Borrowing Notice under Section 2.02(a), each Application and each Conversion or Continuation Notice under Section 2.09(b), or the failure to deliver a Conversion or Continuation Notice under Section 2.09(b), shall constitute a representation that on the disbursement date or date of issuance of a Letter of Credit such representations are true (except as to representations and warranties which (i) refer to a specific date, (ii) have been modified by transactions permitted pursuant to this Agreement or any other Loan Paper or (iii) have been specifically waived in writing by Administrative Agent));

50

(ii) No event has occurred and is continuing, or would result from such Advance or such Letter of Credit (including the intended application of the proceeds of such Advance), that does or could constitute a Default or Event of Default;

(iii) There shall have occurred no Material Adverse Change, and the making of such Advance or the issuance of such Letter of Credit, as applicable, shall not cause or result in a Material Adverse Change;

(iv) In the case of each Letter of Credit, the Borrower shall have delivered to the Administrative Agent a duly executed and complete Application acceptable to Administrative Agent;

(v) After giving effect to each such Advance, the sum of (A) the aggregate outstanding Advances under the Revolving Loan, plus (B) the sum of the aggregate face amount of all outstanding Letters of Credit plus, (C) without duplication, all reimbursement obligations related to any draw on any Letter of Credit, does not exceed the Revolving Commitment;

(vi) After giving effect to each such Advance, prior to the Conversion Date, the sum of (A) the aggregate outstanding Advances under the Revolver/Term Loan does not exceed the Revolver/Term Commitment;

and (b) Administrative Agent shall have received, in form and substance acceptable to it, such other approvals, documents, certificates, opinions, and information as it may deem necessary or appropriate, including, without limitation, a certificate from an Authorized Officer, in form and substance satisfactory to the Administrative Lender, that the Advances are permitted to be incurred pursuant to the terms of the Indenture providing for the Senior Notes.

ARTICLE V. REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants that the following are true and correct:

5.01. ORGANIZATION AND QUALIFICATION. Each GCI Entity is a corporation duly organized, validly existing, and in good standing under the Laws of its state of incorporation. Each GCI Entity is qualified to do business in all jurisdictions where the nature of its business or Properties require such qualification. Set forth on SCHEDULE 5.01 attached hereto is a complete and accurate listing with respect to the Borrower and each other GCI Entity, showing (a) the jurisdiction of its organization and its mailing address, which is the principal place of business and executive offices of each unless

otherwise indicated, (b) the classes of Capital Stock and shares of Capital Stock issued and outstanding in each GCI Entity, and the numbers or amounts of each GCI Entity's Capital Stock authorized and outstanding, (c) each record and beneficial owner of outstanding Capital Stock on the date hereof, indicating the ownership percentage, and (d) and all outstanding options, rights, rights

51

of conversion or purchase, repurchase, rights of first refusal, and similar rights relating to the Capital Stock of each GCI Entity. Except as set forth on SCHEDULE 5.01 hereto, neither the Borrower, nor any Restricted Subsidiary nor any other GCI Entity has agreed to grant or issue any options, warrants or similar rights to any Person to acquire any Capital Stock of the Borrower, any Restricted Subsidiary or any other GCI Entity. All Capital Stock is validly issued and fully paid. The Borrower has no knowledge of any share of Capital Stock of any GCI Entity being subject to any Lien, including any restrictions on hypothecation or transfer, except Liens described on Schedule 5.08a hereto.

5.02. DUE AUTHORIZATION; VALIDITY. The board of directors of the Borrower and each other GCI Entity have duly authorized the execution, delivery, and performance of the Loan Papers to be executed by the Borrower and each other GCI Entity, as appropriate. Each GCI Entity has full legal right, power, and authority to execute, deliver, and perform under the Loan Papers to be executed and delivered by it. The Loan Papers constitute the legal, valid, and binding obligations of the Borrower and each other GCI Entity, as appropriate, enforceable in accordance with their terms (subject as to enforcement of remedies to any applicable Debtor Relief Laws).

5.03. CONFLICTING AGREEMENTS AND OTHER MATTERS. The execution or delivery of any Loan Papers, and performance thereunder, does not conflict with, or result in a breach of the terms, conditions, or provisions of, or constitute a default under, or result in any violation of, or result in the creation of any Lien (other than in favor of Administrative Agent) upon any Properties of the Borrower or any other GCI Entity under, or require any consent (other than consents described on SCHEDULE 5.03 hereto), approval, or other action by, notice to, or filing with any Tribunal or Person pursuant to any organizational document, bylaws, award of any arbitrator, or any agreement, instrument, or Law to which the Borrower or any other GCI Entity, or any of their Properties is subject.

5.04. FINANCIAL STATEMENTS. The audited financial statements of the Parents, and its Subsidiaries dated December 31, 1996 and delivered to Administrative Agent, fairly present its financial position and the results of operations as of the dates and for the periods shown, all in accordance with GAAP. Such financial statements reflect all material liabilities, direct and contingent, of GCI and its Subsidiaries that are required to be disclosed in accordance with GAAP. As of the date of such financial statements, there were no Contingent Liabilities, liabilities for Taxes, forward or long-term commitments, or unrealized or anticipated losses from any unfavorable commitments that are substantial in amount and that are not reflected on such financial statements or otherwise disclosed in writing to Administrative Agent. Since December 31, 1996, there has been no Material Adverse Change. The Borrower and each other GCI Entity is Solvent. The projections of the Borrower dated May 20, 1997 delivered to Administrative Agent were prepared in good faith and management believes them to be based on reasonable assumptions (each of which are stated in such statement) and to provide reasonable estimations of future performance as of the dates and for the periods shown for the Parents, the Borrower and their Subsidiaries, subject to the uncertainty and approximation inherent in any projections. The Borrower's fiscal year ends on December 31.

52

5.05. LITIGATION. Shown on SCHEDULE 5.05 is all Litigation that is pending and, to the Borrower's best knowledge, threatened against the Borrower or any other GCI Entity, any of their Properties or assets on the date hereof. There is no pending or, to the Borrower's best knowledge, threatened Litigation against the Borrower, any other GCI Entity, any of their Properties that could cause a Material Adverse Change.

5.06. COMPLIANCE WITH LAWS REGULATING THE INCURRENCE OF DEBT. No proceeds of any Advance will be used directly or indirectly to acquire any security in any transaction which is subject to Sections 13 and 14 of the Securities Exchange Act of 1934, as amended. The Borrower is not, nor is any other GCI Entity, engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System), and no proceeds of any Advance will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock. Following the Borrower's intended use of the proceeds of each Advance, not more than 25% of the value of the assets of the Borrower will be "MARGIN STOCK" within the meaning of Regulation U. The Borrower is not subject to regulation under the Public Utility Holding Company Act of 1935,

the Federal Power Act, the Investment Company Act of 1940, the Interstate Commerce Act (as any of the preceding acts have been amended), or any other Law that the incurring of Debt by the Borrower would violate in any material respect, including without limitation Laws relating to common or contract carriers or the sale of electricity, gas, steam, water, or other public utility services. None of the Borrower and its Restricted Subsidiaries, nor any agent acting on their behalf, have taken or will knowingly take any action which might cause this Agreement or any Loan Papers to violate any regulation of the Board of Governors of the Federal Reserve System or to violate the Securities Exchange Act of 1934, in each case as in effect now or as the same may hereafter be in effect.

5.07. LICENSES, TITLE TO PROPERTIES, AND RELATED MATTERS. Except as listed on SCHEDULE 5.07a hereto, the Borrower and each other GCI Entity possess all material Authorizations necessary and appropriate to own, operate and construct the Systems or otherwise for the operation of their businesses and are not in violation thereof in any material respect. All such Authorizations are in full force and effect, are listed on SCHEDULE 5.07a hereto, and no event has occurred that permits, or after notice or lapse of time could permit, the revocation, termination or material and adverse modification of any such Authorization, except those which in the aggregate could not reasonably be expected to cause a Material Adverse Change. SCHEDULE 5.07a shows the expiration date and/or termination date for each Authorization (including, without limitation, FCC Licenses) in effect on the Closing Date. The Borrower is not, nor is any Subsidiary of the Borrower or the Parents, in violation of any material duty or obligation required by the Communications Act of 1934, as amended, or any FCC rule or regulation applicable to the operation of any portion of any of the Systems. There is not pending or, to the best knowledge of the Borrower, threatened, any action by the FCC to revoke, cancel, suspend or refuse to renew any FCC License relating to any System. There is not pending or, to the best knowledge of the Borrower, threatened, any action by the FCC to modify adversely, revoke, cancel, suspend or refuse to renew any other Authorization relating to any System. There is not issued or outstanding or, to the best knowledge of the Borrower, threatened, any notice of any hearing, violation or material complaint against the Borrower, the Parents or any of the Restricted Subsidiaries

53

with respect to the operation of any portion of the Systems and the Borrower has no knowledge that any Person intends to contest renewal of any Authorization relating to any System. Each GCI Entity has requisite corporate power (as applicable) and legal right to own and operate its Property and to conduct its business. Each has good and indefeasible title (fee or leasehold, as applicable) to its Property, subject to no Lien of any kind, except Permitted Liens. All of the assets of the Borrower and each other GCI Entity are located within the municipalities and borough locations described on SCHEDULE 5.07b. No GCI Entity is in violation of its respective articles of organization or incorporation (as applicable) or bylaws. None of the GCI Entities is in violation of any Law, or material agreement or instrument binding on or affecting it or any of its Properties, the effect of which could reasonably be expected to cause a Material Adverse Change. No business or Properties of the Parents, the Borrower or any Restricted Subsidiary is affected by any strike, lock-out or other labor dispute. No business or Properties of the Parents, the Borrower or any Restricted Subsidiary is affected by any drought, storm, earthquake, embargo, act of God or public enemy, or other casualty, the effect of which could reasonably be expected to cause a Material Adverse Change.

5.08. OUTSTANDING DEBT AND LIENS. The GCI Entities have no outstanding Debt, Contingent Liabilities or Liens, except Permitted Liens, except as shown on SCHEDULE 5.08a hereto. No breach, default or event of default exists under any document, instrument or agreement evidencing or otherwise relating to any Funded Debt of any GCI Entity, which could reasonably be expected to cause a Material Adverse Change.

5.09. TAXES. The Parents, the Borrower and each Subsidiary of the Parents and the Borrower has filed all federal, state, and other Tax returns (or extensions related thereto) which are required to be filed, and has paid all Taxes as shown on said returns, as well as all other Taxes, to the extent due and payable, except to the extent payment is contested in good faith and for which adequate reserves have been established therefor in accordance with GAAP. All Tax liabilities of the Parents, the Borrower and each Subsidiary of the Parents and the Borrower are adequately provided for on its books, including interest and penalties, and adequate reserves have been established therefor in accordance with GAAP. No income Tax liability of a material nature has been asserted by taxing authorities for Taxes in excess of those already paid, and no taxing authority has notified the Parents, the Borrower or any Subsidiary of the Parents or the Borrower of any deficiency in any Tax return.

5.10. ERISA. Each Plan of the Parents, the Borrower and each Subsidiary of the Parents and the Borrower has satisfied the minimum funding standards

under all Laws applicable thereto, and no Plan has an accumulated funding deficiency thereunder. The Borrower has not, and neither has the Parents, or any Subsidiary of the Borrower or the Parents incurred any material liability to the PBGC with respect to any Plan. No ERISA Event has occurred with respect to any Plan for which an Insufficiency in excess of \$100,000 exists on the date of such occurrence. None of the Parents, the Borrower, or any Subsidiary of the Parents or the Borrower has participated in any non-exempt Prohibited Transaction with respect to any Plan or trust created thereunder. None of the Borrower, the Parents or any Subsidiary of the Borrower and the Parents, nor any ERISA Affiliate, has incurred any Withdrawal Liability to any Multiemployer Plan that has not been satisfied. None of the Borrower, the Parents or any Subsidiary of the Parents or the Borrower, nor any ERISA Affiliate has

54

been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganization or has been terminated, within the meaning of Title IV of ERISA.

5.11. ENVIRONMENTAL LAWS. The Borrower and each other GCI Entity has obtained all material environmental, health and safety permits, licenses and other material authorizations required under all Applicable Environmental Laws to carry on its business as being conducted. On the Closing Date, there are no environmental liabilities of the Borrower or any other GCI Entity (with respect to any fee owned or leased Properties), except as disclosed and described in detail on SCHEDULE 5.11 hereto. Each of such permits, licenses and authorizations is in full force and effect and the Borrower and each other GCI Entity is in compliance with the terms and conditions thereof, and is also in compliance with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in any applicable Environmental Law or in any regulation, code, plan, order, decree, judgment, injunction, notice or demand letter issued, entered, promulgated or approved thereunder, except to the extent failure to comply with any thereof could not reasonably be expected to cause a Material Adverse Change. In addition, no written notice, notification, demand, request for information, citation, summons or order has been issued, no written complaint has been filed, no penalty has been assessed and no investigation or review is pending or, to the best knowledge of the Borrower or any other GCI Entity, threatened, by any Tribunal or other entity with respect to any alleged failure by the Borrower or any other GCI Entity to have any environmental, health or safety permit, license or other authorization required under any Applicable Environmental Law in connection with the conduct of the business of the Borrower or any other GCI Entity or with respect to any generation, treatment, storage, recycling, transportation, discharge, disposal or release of any Hazardous Materials by the Borrower or any other GCI Entity. To the best knowledge of the Borrower and each other GCI Entity, there are no material environmental liabilities of the Borrower or any other GCI Entity, except as previously disclosed in writing to the Lenders. To the best knowledge of the Borrower and each other GCI Entity, there are no environmental liabilities of the Borrower or any other GCI Entity which could reasonably be expected to cause a Material Adverse Change. The Borrower has delivered to the Administrative Agent copies of all environmental studies and reports conducted or received by the Borrower or any other GCI Entity in connection with real Property. Such studies cover all real Property, if any, owned in fee by the Borrower and each other GCI Entity. No Hazardous Materials are generated or produced at or in connection with the Properties and operations of any of the Borrower or any of the other GCI Entities, nor have any Hazardous Materials been disposed of or otherwise released on or to any Property on which any operations of the Borrower or any other GCI Entities are conducted, except in compliance with Applicable Environmental Laws.

5.12. DISCLOSURE. Neither the Borrower nor any other GCI Entity has made a material misstatement of fact, or failed to disclose any fact necessary to make the facts disclosed not misleading, in light of the circumstances under which they were made, to Administrative Agent or any Lender during the course of application for and negotiation of any Loan Papers or otherwise in connection with any Advances. There is no fact known to the Borrower or any other GCI Entity that materially adversely affects any of the Borrower's or any of the other GCI Entity's Properties or

55

business, or that could constitute a Material Adverse Change, and that has not been set forth in the Loan Papers or in other documents furnished to Administrative Agent or any Lender.

5.13. INVESTMENTS; RESTRICTED SUBSIDIARIES. The GCI Entities have no Investments except as described on Schedule 5.13 hereto and as permitted by Section 7.10 hereof. SCHEDULE 5.13 is a complete and accurate listing of each GCI Entity, showing (a) its complete name, (b) its jurisdiction of organization, (c) its capital structure, (d) its street and mailing address, which is its principal place of business and executive office and (e) all interests in such GCI Entity.

5.14. CERTAIN FEES. No broker's, finder's, management fee or other fee or commission will be payable by the Borrower with respect to the making of the Revolving Commitment, the Revolver/Term Commitment or Advances hereunder (other than to Administrative Agent, NationsBanc Capital Markets, Inc., Credit Lyonnais and TD hereunder), or the offering, issuance or sale of the Capital Stock of the Borrower, except as set forth in SCHEDULE 5.14 hereof. The Borrower and each other GCI Entity hereby agrees to indemnify and hold harmless Administrative Agent and each Lender from and against any claims, demand, liability, proceedings, costs or expenses asserted with respect to or arising in connection with any such fees or commissions.

5.15. INTELLECTUAL PROPERTY. The Borrower and each other GCI Entity has obtained all patents, trademarks, service-marks, trade names, copyrights, licenses and other rights, free from material restrictions, which are necessary for the operation of their respective businesses as presently conducted and as proposed to be conducted. Nothing has come to the attention of the Borrower or any other GCI Entity to the effect that (a) any process, method, part or other material presently contemplated to be employed by the Borrower or any other GCI Entity may or could reasonably be alleged to infringe any patent, trademark, service-mark, trade name, license or other right (except copyright) owned by any other Person, or (b) except as shown on SCHEDULE 5.05 attached hereto, there is pending or threatened any claim or litigation against or affecting the Borrower or any other GCI Entity contesting its right to sell or use any such process, method, part or other material. Nothing has come to the attention of the Borrower or any other GCI Entity to the effect that any material presently contemplated to be employed by the Borrower or any other GCI Entity may or could reasonably be alleged to infringe any copyright owned by any other Person, except to the extent that any such infringement, when aggregated with all other copyright infringements, could not reasonably be expected to cause a Material Adverse Change.

5.16. SURVIVAL OF REPRESENTATIONS AND WARRANTIES, ETC. All representations and warranties made under this Agreement shall be deemed to be made at and as of the Closing Date and at and as of the date of each Advance, and each shall be true and correct when made, except to the extent (a) previously fulfilled in accordance with the terms hereof, (b) subsequently inapplicable, or (c) previously waived in writing by Administrative Agent and Lenders with respect to any particular factual circumstance. The representations and warranties made under this Agreement shall be deemed applicable to each Restricted Subsidiary as of the formation or acquisition of such Restricted Subsidiary and at and as of each date the representations and warranties are remade pursuant to this provision. All representations and warranties made under this Agreement shall survive, and not be

56

waived by, the execution hereof by the Administrative Agent and Lenders, any investigation or inquiry by the Administrative Agent or any Lender, or by the making of any Advance under this Agreement.

ARTICLE VI. AFFIRMATIVE COVENANTS

So long as the Revolving Commitment, the Revolver/Term Commitment, any Advance, any Letter of Credit or any portion of the Obligations is outstanding, or the Borrower or any other GCI Entity owes any other amount hereunder or under any other Loan Paper:

6.01. COMPLIANCE WITH LAWS AND PAYMENT OF DEBT. The Borrower shall, and shall cause each the Parents and all Subsidiaries of the Borrower and the Parents to, comply with all Applicable Laws, including without limitation compliance with ERISA and all applicable federal and state securities Laws. The Borrower shall, and shall cause each other GCI Entity to, pay its (a) Funded Debt as and when due (or within any applicable grace period), unless payment thereof is being contested in good faith by appropriate proceedings and adequate reserves have been established therefor, and (b) trade debt in accordance with its past practices, and in any event, before any trade creditor takes any action or terminates any relationship, except those disputes diligently contested in good faith by the Borrower and/or such GCI Entity, and for which appropriate reserves have been established in accordance with GAAP.

6.02. INSURANCE. The Borrower shall, (a) and shall cause each of the Restricted Subsidiaries to, keep its offices and other insurable Properties adequately insured at all times by reputable insurers to such extent and against such risks, including fire and other risks insured against by extended coverage, as what is customary with companies similarly situated and in the same or similar businesses, (b) and shall cause each other GCI Entity to, maintain in full force and effect public liability (including liability insurance for all vehicles and other insurable Property) and worker's compensation insurance, in amounts customary for such similar companies to cover normal risks, by insurers satisfactory to the Administrative Agent, (c) and shall cause each Restricted Subsidiary to, maintain business interruption

insurance for each System in amounts satisfactory to the Lenders, (d) and shall cause each other GCI Entity to, maintain other insurance as may be required by Law or reasonably requested by the Administrative Agent, provided that such insurance policies will show the Administrative Agent, on behalf of the Lenders, as additional insured or loss payee, as appropriate. The Borrower shall deliver evidence of renewal of each insurance policy on or before the date of its expiration, and from time to time shall deliver to the Administrative Agent, upon demand, evidence of the maintenance of such insurance.

6.03. INSPECTION RIGHTS. The Borrower shall, and shall cause each other GCI Entity to, permit the Administrative Agent or any Lender, upon one days notice or such lesser notice as is reasonable under the circumstances, to examine and make copies of and abstracts from their records and books of account, to visit and inspect their Properties and to discuss their affairs, finances, and accounts with any of their directors, officers, employees, accountants, attorneys and other representatives, all as the Administrative Agent or any Lender may reasonably request.

57

6.04. RECORDS AND BOOKS OF ACCOUNT; CHANGES IN GAAP. The Borrower shall, and shall cause the Parents and each Subsidiary of the Parents and the Borrower to, keep adequate records and books of account in conformity with GAAP. The Borrower shall not, nor shall the Borrower permit the Parents or any Subsidiary of the Borrower or the Parents to change its fiscal year, nor change its method of financial accounting except in accordance with GAAP. In connection with any such change after the date hereof, the Borrower and Lenders shall negotiate in good faith to make appropriate alterations to the covenants set forth in Section 7.01 hereof, reflecting such change.

6.05. REPORTING REQUIREMENTS. The Borrower shall furnish to each Lender and the Administrative Agent:

(a) As soon as available and in any event within 60 days after the end of the Borrower's fiscal quarters, (i) consolidated and consolidating balance sheets of the [Parents, the Borrower and their Subsidiaries, and each other GCI Entity], as of the end of such quarter, and consolidated and consolidating statements of income, and consolidated and consolidating statements of changes in cash flow of the [Parents, the Borrower and their Subsidiaries, and each other GCI Entity], for the portion of the fiscal year ending with such quarter, setting forth, in comparative form, figures for the corresponding periods in the previous fiscal year, all in reasonable detail, and certified by an Authorized Officer as prepared in accordance with GAAP, and fairly presenting the financial condition and results of operations of the [Parents, the Borrower and their Subsidiaries, and each other GCI Entity], (ii) for the [Parents, the Borrower and their Subsidiaries], comparisons and reconciliations of actual results to the budget delivered pursuant to Section 6.05(e) below for the fiscal quarter most recently ended, in reasonable detail and satisfactory to the Administrative Agent, and (iii) for the [Parents, the Borrower and the Restricted Subsidiaries,] all information set forth in (i) and (ii) above in a separate presentation;

(b) As soon as available and in any event within 120 days after the end of each fiscal year, (i) consolidated and consolidating balance sheets of the [Parents, the Borrower and their Subsidiaries, and each other GCI Entity,] as of the end of such fiscal year, and consolidated and consolidating statements of income and changes in cash flow of the [Parents, the Borrower and their Subsidiaries, and each other GCI Entity,] for such fiscal year, all in reasonable detail, prepared in accordance with GAAP, and accompanied by an unqualified opinion of the Auditor, which opinion shall state that such financial statements were prepared in accordance with GAAP, that the examination by the Auditor in connection with such financial statements was made in accordance with generally accepted auditing standards, and that such financial statements present fairly the financial condition and results of operations of the [Parents, the Borrower and their Subsidiaries, and each other GCI Entity], and (ii) for [the Parents, the Borrower and the Restricted Subsidiaries], all information set forth in (i) above in a separate presentation;

(c) Promptly upon receipt thereof, (i) copies of all material reports or letters submitted to the Borrower, the Parents or any Subsidiary of the Borrower or the Parents by the Auditor or any other accountants in connection with any annual, interim, or special audit, including without limitation the comment letter submitted to management in connection with any such audit, (ii) each financial

58

statement, report, notice or proxy statement sent by GCI, GCII, the Borrower or any Restricted Subsidiary in writing to stockholders generally, (iii) each regular or periodic report and any registration statement or prospectus (or material written communication in respect of any thereof) filed by the Parents, the Borrower or any Restricted Subsidiary with any securities

exchange, with the Securities and Exchange Commission or any successor agency, and (iv) all press releases concerning material financial aspects of the Parents, the Borrower or any Restricted Subsidiary;

(d) Together with each set of financial statements delivered pursuant to subsections (a) and (b) above, a Compliance Certificate executed by an Authorized Officer, which such Compliance Certificate must (i) certify that there has occurred no Default or Event of Default, (ii) compute the Applicable Margin, and (iii) set forth the detailed calculations with respect to the financial covenants required by Section 7.01 hereof;

(e) As soon as available and in any event not later than 30 days after the beginning of each fiscal year of the Borrower, the annual operating and Capital Expenditure budgets of the Borrower and the Restricted Subsidiaries, [and each other GCI Entity] for such fiscal year;

(f) Promptly upon knowledge by the Borrower or any other GCI Entity of the occurrence of any Default or Event of Default, a notice from an Authorized Officer, setting forth the details of such Default or Event of Default, and the action being taken or proposed to be taken with respect thereto ;

(g) As soon as possible and in any event within five Business Days after knowledge thereof by the Borrower or any other GCI Entity, notice of any Litigation pending or threatened against the Borrower or any other GCI Entity or Unrestricted Subsidiary which, if determined adversely, could reasonably be expected to result in a judgment, penalties, or damages in excess of \$1,000,000 together with a statement of an Authorized Officer describing the allegations of such Litigation, and the action being taken or proposed to be taken with respect thereto;

(h) Promptly following notice or knowledge thereof by the Borrower or any other GCI Entity, notice of any actual or threatened loss or termination of any material Authorization of the Borrower or any other GCI Entity or any Unrestricted Subsidiary, together with a statement of an Authorized Officer describing the circumstances surrounding the same, and the action being taken or proposed to be taken with respect thereto;

(i) Promptly after filing or receipt thereof, copies of all reports and notices that the Borrower or any other GCI Entity or Unrestricted Subsidiary (i) files or receives in respect of any Plan with or from the Internal Revenue Service, the PBGC, or the United States Department of Labor, or (ii) furnishes to or receives from any holders of any Debt or Contingent Liability, if in either case, any information or dispute referred to therein either causes a Default or Event of Default, or could reasonably be expected to cause or result in a Default or an Event of Default;

59

(j) Within 30 days after renewal or issuance of any hazard, public liability, business interruption, or other insurance policy maintained by the Borrower or any other GCI Entity, a copy of the binder or insurance certificate (showing Administrative Agent, on behalf of the Borrower or such GCI Entity, as loss payee or additional insured, as appropriate);

(k) As soon as possible and in any event within 10 days after the Borrower or any other GCI Entity knows that any Reportable Event has occurred with respect to any Plan, a statement, signed by an Authorized Officer, describing said Reportable Event and the action which the such Person proposes to take with respect thereto;

(l) As soon as possible, and in any event within 10 days after receipt by the Borrower or any other GCI Entity, a copy of (a) any notice or claim to the effect that the Borrower or any other GCI Entity is or may be liable to any Person as a result of the release by the Borrower, any other GCI Entity or any other Person of any toxic or hazardous waste or substance into the environment, and (b) any notice alleging any violation of any federal, state or local environmental, health or safety law or regulation by the Borrower or any other GCI Entity, which could reasonably be expected to, in either case, cause a Material Adverse Change;

(m) Promptly upon the filing thereof, copies of all material registration statements and all annual, quarterly, monthly or other regular reports which the Parents, the Borrower or any Subsidiary of the Parents or the Borrower or any other GCI Entity or Unrestricted Subsidiary files with the FCC or the Securities and Exchange Commission;

(n) Promptly upon request, such other information concerning the condition or operations of the Borrower, any other GCI Entity, Unrestricted Subsidiary and any of their Affiliates, financial or otherwise, as the Administrative Agent or any Lender may from time to time reasonably request.

6.06. USE OF PROCEEDS. The proceeds of the Advances shall be available (and the Borrower shall use such proceeds) to (a) refinance existing Funded

Debt of the Borrower and its Restricted Subsidiaries, (b) fund Capital Expenditures of the Borrower and the Restricted Subsidiaries permitted by the terms of this Agreement, (c) contribute \$50,000,000 to the capitalization of AULP and (d) use for general working capital purposes.

6.07. Maintenance of Existence and Assets. Except as provided by Section 7.07 of this Agreement, the Borrower shall maintain, and shall cause each other GCI Entity to maintain, its corporate existence, authority to do business in the jurisdictions in which it is necessary for the Borrower or such GCI Entity to do so, and all Authorizations necessary for the operation of any of their businesses. The Borrower shall maintain, and shall cause each other GCI Entity to maintain, the assets necessary for use in their respective businesses in good repair, working order and condition, and make all such repairs, renewals and replacements thereof as may be reasonably required.

6.08. PAYMENT OF TAXES. The Borrower will and will cause the Parents and all Subsidiaries of the Parents and the Borrower to, promptly pay and discharge all lawful Taxes imposed upon it or

60

upon its income or profit or upon any Property belonging to it, unless such Tax shall not at the time be due and payable, or if the validity thereof shall currently be contested on a timely basis in good faith by appropriate proceedings (provided that the enforcement of any Liens arising out of any such nonpayment shall be stayed or bonded during the proceedings) and adequate reserves with respect to such Tax shall have been established in accordance with GAAP.

6.09. INDEMNITY.

(a) THE BORROWER AGREES TO DEFEND, PROTECT, INDEMNIFY AND HOLD HARMLESS THE ADMINISTRATIVE AGENT AND EACH LENDER, EACH OF THEIR RESPECTIVE AFFILIATES, AND EACH OF THEIR RESPECTIVE (INCLUDING SUCH AFFILIATES') OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, ATTORNEYS, SHAREHOLDERS AND CONSULTANTS (INCLUDING, WITHOUT LIMITATION, THOSE RETAINED IN CONNECTION WITH THE SATISFACTION OR ATTEMPTED SATISFACTION OF ANY OF THE CONDITIONS SET FORTH HEREIN) OF EACH OF THE FOREGOING (COLLECTIVELY, "INDEMNITEES") FROM AND AGAINST ANY AND ALL LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, CLAIMS, COSTS, EXPENSES AND DISBURSEMENTS OF ANY KIND OR NATURE WHATSOEVER (INCLUDING, WITHOUT LIMITATION, THE REASONABLE FEES AND DISBURSEMENTS OF COUNSEL FOR SUCH INDEMNITEES IN CONNECTION WITH ANY INVESTIGATIVE, ADMINISTRATIVE OR JUDICIAL PROCEEDING, WHETHER OR NOT SUCH INDEMNITEES SHALL BE DESIGNATED A PARTY THERETO OR SUCH PROCEEDING SHALL HAVE ACTUALLY BEEN INSTITUTED), IMPOSED ON, INCURRED BY, OR ASSERTED AGAINST SUCH INDEMNITEES (WHETHER DIRECT, INDIRECT OR CONSEQUENTIAL AND WHETHER BASED ON ANY FEDERAL, STATE, OR LOCAL LAWS AND REGULATIONS, UNDER COMMON LAW OR AT EQUITABLE CAUSE, OR ON CONTRACT, TORT OR OTHERWISE), ARISING FROM OR CONNECTED WITH THE PAST, PRESENT OR FUTURE OPERATIONS OF THE PARENTS, THE BORROWER, ANY SUBSIDIARY OF THE BORROWER OR THE PARENTS, ANY OTHER GCI ENTITY, ANY AFFILIATE OR ANY PREDECESSORS IN INTEREST, OR THE PAST, PRESENT OR FUTURE ENVIRONMENTAL CONDITION OF PROPERTY OF THE PARENTS, THE BORROWER, ANY SUBSIDIARY OF THE BORROWER OR PARENTS, ANY OTHER GCI ENTITY, ANY AFFILIATE OR ANY PREDECESSORS IN INTEREST, IN EACH CASE RELATING TO OR ARISING OUT OF THIS AGREEMENT, THE LOAN PAPERS, OR ANY ACT, EVENT OR TRANSACTION OR ALLEGED ACT, EVENT OR TRANSACTION RELATING OR ATTENDANT THERETO AND THE MANAGEMENT OF THE ADVANCES BY THE ADMINISTRATIVE AGENT, INCLUDING IN CONNECTION WITH, OR AS A RESULT, IN WHOLE OR IN PART, OF ANY NEGLIGENCE OF ADMINISTRATIVE AGENT OR ANY LENDER (OTHER THAN THOSE MATTERS INVOLVING A CLAIM BY A PARTICIPANT PURCHASER AGAINST ANY LENDER AND NOT THE BORROWER), OR THE USE OR INTENDED USE OF THE PROCEEDS OF THE ADVANCES HEREUNDER, OR IN CONNECTION WITH ANY INVESTIGATION OF ANY POTENTIAL MATTER COVERED HEREBY, BUT EXCLUDING ANY CLAIM OR LIABILITY THAT ARISES AS THE RESULT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY INDEMNITEE, AS FINALLY JUDICIALLY DETERMINED BY A COURT OF COMPETENT JURISDICTION (COLLECTIVELY, "INDEMNIFIED MATTERS").

(b) IN ADDITION, THE BORROWER SHALL PERIODICALLY, UPON REQUEST, REIMBURSE EACH INDEMNITEE FOR ITS REASONABLE LEGAL AND OTHER ACTUAL REASONABLE EXPENSES (INCLUDING THE COST OF ANY INVESTIGATION AND PREPARATION) INCURRED IN CONNECTION WITH ANY INDEMNIFIED MATTER. IF FOR ANY REASON THE FOREGOING INDEMNIFICATION IS UNAVAILABLE TO ANY INDEMNITEE OR INSUFFICIENT TO HOLD ANY INDEMNITEE HARMLESS WITH RESPECT TO INDEMNIFIED MATTERS, THEN THE BORROWER SHALL CONTRIBUTE TO THE AMOUNT PAID OR PAYABLE BY SUCH INDEMNITEE AS A RESULT OF SUCH LOSS, CLAIM,

61

DAMAGE OR LIABILITY IN SUCH PROPORTION AS IS APPROPRIATE TO REFLECT NOT ONLY THE RELATIVE BENEFITS RECEIVED BY THE BORROWER AND THE HOLDERS OF THE CAPITAL STOCK OF THE BORROWER ON THE ONE HAND AND SUCH INDEMNITEE ON THE OTHER HAND BUT ALSO THE RELATIVE FAULT OF THE BORROWER AND SUCH INDEMNITEE, AS WELL AS ANY OTHER RELEVANT EQUITABLE CONSIDERATIONS. THE REIMBURSEMENT, INDEMNITY

AND CONTRIBUTION OBLIGATIONS UNDER THIS SECTION SHALL BE IN ADDITION TO ANY LIABILITY WHICH THE BORROWER MAY OTHERWISE HAVE, SHALL EXTEND UPON THE SAME TERMS AND CONDITIONS TO EACH INDEMNITEE, AND SHALL BE BINDING UPON AND INURE TO THE BENEFIT OF ANY SUCCESSORS, ASSIGNS, HEIRS AND PERSONAL REPRESENTATIVES OF THE BORROWER, THE ADMINISTRATIVE AGENT, THE LENDERS AND ALL OTHER INDEMNITEES. THE OBLIGATIONS OF THE BORROWER UNDER THIS SECTION 6.09 SHALL SURVIVE (i) THE EXECUTION OF THIS AGREEMENT AND (ii) ANY TERMINATION OF THIS AGREEMENT AND PAYMENT OF THE OBLIGATIONS.

6.10. INTEREST RATE HEDGING. By no later than 60 days after the Closing Date, the Borrower will enter into an Interest Hedge Agreement on terms acceptable to the Administrative Agent providing for interest rate protection for not less than three years for 50% of Total Debt on such date. If Borrower enters into an interest rate cap agreement, the interest rate related thereto shall not exceed 2% per annum in excess of the then current treasury rate for the applicable hedge period.

6.11. MANAGEMENT FEES PAID AND EARNED. The Borrower agrees that no Management Fees will be paid by the Borrower, any Restricted Subsidiary or any other GCI Entity to any Person at any time, except in accordance with the terms of the Prime Management Agreement.

6.12. AUTHORIZATIONS AND MATERIAL AGREEMENTS. The Borrower shall, and shall cause the Parents and the Restricted Subsidiaries to, obtain and comply in all material respects with all FCC Licenses relating to any System. The Borrower shall, and shall cause the Parents and the Restricted Subsidiaries to, obtain and comply in all material respects with all Authorizations relating to the Systems, except to the extent failure to do so could not reasonably be expected to cause or result in a Material Adverse Change. The Borrower shall, and shall cause all other GCI Entities to, maintain and comply in all material respects with all agreements necessary or appropriate for any of them to own, maintain, or operate any of their businesses or Properties.

6.13. FURTHER ASSURANCES. The Borrower shall, and shall cause each other GCI Entity to, make, execute or endorse, and acknowledge and deliver or file or cause the same to be done, all such vouchers, invoices, notices, certifications and additional agreements, undertakings, conveyances, deeds of trust, mortgages, security agreements, transfers, assignments, financing statements or other assurances, and take any and all such other action, as Administrative Agent may, from time to time, deem reasonably necessary or proper in connection with any GCI Entity's obligations under any of the Loan Papers and the obligations of the Borrower thereunder, or for better assuring and confirming unto Administrative Agent all or any part of the security for any of the Obligations.

6.14. SUBSIDIARIES AND OTHER OBLIGORS. The Borrower shall cause each of the Restricted Subsidiaries, other GCI Entities and Affiliates to comply with each provision of this ARTICLE VI.

ARTICLE VII. NEGATIVE COVENANTS

So long as the Revolving Commitment, the Revolver/Term Commitment, any Advance, any Letter of Credit or any portion of the Obligations is outstanding, or the Borrower or any other GCI Entity owes any other amount hereunder or under any other Loan Paper:

7.01. FINANCIAL COVENANTS. The Borrower and the Restricted Subsidiaries shall comply with the following covenants:

WITH RESPECT TO THE ASTERICKED PROVISIONS BELOW, IF EQUITY IS NOT RAISED, WE WILL SWITCH OUT THE COVENANTS TO THE ALTERNATE COVENANTS IN THE TERM SHEET AND COMMITMENT LETTER

(a) TOTAL LEVERAGE RATIO. At all times during the term hereof, the Total Leverage Ratio shall not be greater during the following time periods than the ratio set forth opposite such time periods:

TIME PERIOD -----	MAXIMUM RATIO -----
**[From the Closing Date through March 31, 1998	7.00 to 1.00
April 1, 1998 through March 31, 1999	6.50 to 1.00
April 1, 1999 through December 31, 1999	6.00 to 1.00
January 1, 2000 and thereafter	5.50 to 1.00]**

(b) SENIOR LEVERAGE RATIO. At all times during the term hereof, the Senior Leverage Ratio shall not be greater during the following time periods than the ratio set forth opposite such time periods:

TIME PERIOD -----	MAXIMUM RATIO -----
From the Closing Date through March 31, 1999	**[3.50 to 1.00
April 1, 1999 through December 31, 1999	3.00 to 1.00
January 1, 2000 through December 31, 2000	2.50 to 1.00
January 1, 2001 and thereafter	2.00 to 1.00]**

(c) INTEREST COVERAGE RATIO. At all times during the term hereof, the Interest Coverage Ratio shall not be less during the following time periods than the ratio set forth opposite such time periods:

TIME PERIOD -----	MINIMUM RATIO -----
From the Closing Date through December 31, 1998	**[1.50 to 1.00

63

January 1, 1999 and thereafter	2.00 to 1.00]**
--------------------------------	-----------------

(d) PRO FORMA DEBT SERVICE COVERAGE RATIO. At all times during the term hereof, the Pro Forma Debt Service Coverage Ratio shall not be less during the following time periods than the ratio set forth opposite such time periods:

TIME PERIOD -----	MINIMUM RATIO -----
From the Closing Date and thereafter	***[1.25 to 1.00]***

(e) FIXED CHARGES COVERAGE RATIO. Commencing January 1, 2000, at all times during the term hereof, the Fixed Charges Coverage Ratio shall not be less during the following time periods than the ratio set forth opposite such time periods:

TIME PERIOD -----	MINIMUM RATIO -----
From January 1, 2000 through March 31, 2003	**[1.00 to 1.00
April 1, 2003 and thereafter	1.05 to 1.00]**

(f) CAPITAL EXPENDITURES. Capital Expenditures paid or incurred by the Borrower and the Restricted Subsidiaries shall not exceed, in the aggregate, the following amounts during the following years, provided that, any unused portion for any such year may be used during the following fiscal year only (but not thereafter):

FISCAL YEAR -----	MAXIMUM AMOUNT -----
Partial year - Closing Date through 1997	**[\$55,000,000
1998	\$90,000,000
1999	\$65,000,000
2000 and thereafter	N/A]**

7.02. DEBT. The Borrower shall not, and shall not permit any of the other GCI Entities to, create, incur, assume, become or be liable in any manner in respect of, or suffer to exist, any Debt, except (a) Debt under the Loan Papers, (b) Debt under the Senior Notes and other Debt in existence on the date hereof as shown on SCHEDULE 5.08a hereto, and renewals, extensions (but not increases), and refinancings thereof on terms identical thereto, (c) trade payables incurred and paid in the ordinary course of business, (d) Debt permitted to be incurred under Contingent Liabilities described below, (e) Debt between the Borrower and its Subsidiaries, and (f) so long as there exists no Default or Event of Default in existence at the time incurred and none is caused thereby, (i) \$5,000,000 in Debt constituting Capital Leases outstanding in the aggregate at any one time, and (ii) unsecured subordinated Debt of the Borrower on terms and conditions acceptable to the Administrative Agent

64

and each Lender, subordinated to the Facilities pursuant to the subordination language set forth on SCHEDULE 7.02 hereto.

7.03. CONTINGENT LIABILITIES. The Borrower shall not, and shall not permit any of the other GCI Entities to, create, incur, assume, become or be liable in any manner in respect of, or suffer to exist, any Contingent Liabilities, except (a) Contingent Liabilities under or relating to the Loan

Papers, (b) Contingent Liabilities in existence on the Closing Date, as shown on Schedule 5.08a hereto, (c) Contingent Liabilities resulting from the endorsement of negotiable instruments for collection in the ordinary course of business and (d) utility bonds and other similar bonds entered into in the ordinary course of business.

7.04. LIENS. The Borrower shall not, and shall not permit any of the other GCI Entities to, create or suffer to exist any Lien upon any of its Properties, except Permitted Liens and Liens securing Debt permitted under Section 7.02(d)(i) hereof. It is specifically acknowledged and agreed that the Borrower shall not, and shall not permit any of the other GCI Entities to, hereafter agree with any Person (other than Administrative Agent) not to grant a Lien on any of its assets.

7.05. DISPOSITIONS OF ASSETS. The Borrower shall not, and shall not permit any of the other GCI Entities to, sell, lease, assign, or otherwise dispose of any assets of the Borrower or any Restricted Subsidiary, or otherwise consummate any Asset Sale, (a) except sales or dispositions of assets in the ordinary course of business, including dispositions of obsolete or useless assets, and (b) so long as there exists no Default or Event of Default both before and after giving effect to such disposition and with the prior written consent of Majority Lenders, Asset Sales in an aggregate amount over the term of this Agreement not to exceed \$10,000,000, so long as any amounts received by the Borrower and the Restricted Subsidiaries in the aggregate over \$10,000,000 in any fiscal year of the Borrower and its Restricted Subsidiaries are immediately used to reduce the Revolving Commitment and/or the Revolver/Term Commitment, as applicable, in accordance with Section 2.04 hereof, and repay the outstanding Obligations in accordance with the terms of Section 2.05 hereof, as applicable.

7.06. DISTRIBUTIONS AND RESTRICTED PAYMENTS. The Borrower shall not, and shall not permit the Parents or any Restricted Subsidiary to, make any Restricted Payments, other than any Restricted Payment in the form of a Distribution made by any Restricted Subsidiary to any other Restricted Subsidiary or to the Borrower, and (a) so long as (i) there exists no Default or Event of Default both before and after giving effect to any such Restricted Payment, (ii) the Total Leverage Ratio is less than 5.00 to 1.00 both before and after giving effect to any such Restricted Payment and (iii) the date of such Restricted Payment is after September 30, 2000, Restricted Payments made exclusively out of Excess Cash Flow up to a maximum amount of the difference between \$15,000,000 in the aggregate over the term of this Agreement, minus the aggregate amount of Investments made in accordance with the terms of Section 7.10(e) hereof over the term of this Agreement, (b) so long as there exists no Default or Event of Default both before and after giving effect to any such Restricted Payment, the Borrower may make Restricted Payments in the form of Distributions to GCII in an amount not in excess of scheduled cash interest payments required to be paid by GCII under the Senior Notes, and GCII may make Restricted Payments in the form of (and not in excess of) scheduled cash interest payments required to be paid by GCII under the

65

Senior Notes, provided that, the Lenders agree that in no event shall the opening phrase of this subsection (b) prohibit the payment of any such Distribution by the Borrower or payment of interest by GCII on the Senior Notes for more than 180 consecutive days in any fiscal year, unless there exists an Event of Default under Section 8.01(a) hereof (whether by acceleration or otherwise), (c) so long as there exists no Default or Event of Default both before and after giving effect to the payment thereof, payment of Management Fees and amounts due under the galaxy transponder agreement, and (d) so long as there exists no Default or Event of Default both before and after giving effect to any such Restricted Payment, the Borrower may make Restricted Payments on Funded Debt incurred in accordance with the terms of 7.02(d)(i) hereof.

7.07. MERGER; CONSOLIDATION. The Borrower shall not, and shall not permit any of the other GCI Entities to, merge into or consolidate with any Person except any Wholly-Owned Subsidiary other than the Borrower may merge or consolidate with the Borrower or another Wholly-Owned Subsidiary, provided that the Borrower or such Wholly-Owned Subsidiary is the surviving entity, as the case may be.

7.08. BUSINESS. The Borrower shall not, and shall not permit any of the other GCI Entities to, change the nature of its business as now conducted. The Borrower shall not conduct any business except the ownership and operation of its Systems.

7.09. TRANSACTIONS WITH AFFILIATES. The Borrower shall not, and shall not permit any of the other GCI Entities to, enter into or be party to a transaction with any Affiliate, except on terms no less favorable than could be obtained on an arm's-length basis with a Person that is not an Affiliate.

7.10. LOANS AND INVESTMENTS. The Borrower shall not, and shall not permit

any of the other GCI Entities to, make any loan, advance, extension of credit or capital contribution to, or make or have any Investment in, any Person, or make any commitment to make any such extension of credit or Investment, or make any acquisition, except (a) Investments on the Closing Date constituting a \$50,000,000 capital contribution to AULP and other Investments existing on the date hereof and contemplated by the terms of this Agreement, each as shown on SCHEDULE 5.13 hereto, (b) Investments in Cash Equivalents, (c) Investments in advances in the ordinary course of business to officers and employees in an amount in the aggregate not to exceed \$4,000,000 outstanding at any one time, (d) Investments in accounts receivable arising in the ordinary course of business, (e) so long as (i) there exists no Default or Event of Default, both before and after giving effect to the making of such Investments, (ii) the Total Leverage Ratio is less than 5.00 to 1.00 both before and after giving effect to any such Investment and (iii) the date of such Investment is after September 30, 2000, Investments made exclusively out of Excess Cash Flow up to a maximum amount of the difference between \$15,000,000 in the aggregate over the term of this Agreement, minus the aggregate amount of Restricted Payments made in accordance with the terms of Section 7.06(a) hereof over the term of this Agreement, and (f) loans, advances, extensions of credit or capital contributions to, or among, Wholly-Owned Subsidiaries.

66

7.11. FISCAL YEAR AND ACCOUNTING METHOD. The Borrower shall not, and shall not permit any of the other GCI Entities to, change its fiscal year or method of accounting, except as may be required by GAAP.

7.12. ISSUANCE OF PARTNERSHIP INTEREST AND CAPITAL STOCK; AMENDMENT OF ARTICLES AND BY-LAWS. Except in connection with the transactions consummated on or prior to the Closing Date, and except as permitted in Section 7.07 hereof, the Borrower shall not, and shall not permit any of the other GCI Entities to, issue, sell or otherwise dispose of any Capital Stock in such Person, or any options or rights to acquire such partnership interest or capital stock not issued and outstanding on the Closing Date. The Borrower shall not amend its articles of organization or bylaws and the Borrower shall not permit any of the other GCI Entities to amend its articles of organization or bylaws, except, so long as there exists no Default or Event of Default both prior to and after giving effect to such amendment, and after written notice to the Administrative Agent, the Borrower may make (i) changes to comply with applicable Law and (ii) changes immaterial in nature.

7.13. CHANGE OF OWNERSHIP. The Borrower shall not, and shall not permit any other GCI Entity to, permit any change in the ownership of the Borrower and each Guarantor from the ownership thereof as of the date hereof as disclosed on SCHEDULE 5.01 hereto.

7.14. SALE AND LEASEBACK. The Borrower shall not, and shall not permit any of the other GCI Entities to, enter into any arrangement whereby it sells or transfers any of its assets, and thereafter rents or leases such assets.

7.15. COMPLIANCE WITH ERISA. The Borrower shall not, and shall not permit the Parents or any Subsidiary of the Borrower and the Parents to, directly or indirectly, or permit any member of such Person's Controlled Group to directly or indirectly, (a) terminate any Plan so as to result in any material (in the opinion of Administrative Agent) liability to any of the Borrower, the Parents or any Subsidiary of the Borrower or the Parents, or any member of their Controlled Group, (b) permit to exist any ERISA Event, or any other event or condition, which presents the risk of any material (in the opinion of Administrative Agent) liability of any of the Parents, the Borrower or any Subsidiary of the Parents or the Borrower, or any member of their Controlled Group, (c) make a complete or partial withdrawal (within the meaning of Section 4201 of ERISA) from any Multiemployer Plan so as to result in any material (in the opinion of Administrative Agent) liability to any of the Borrower, the Parents, or any Subsidiary of the Parents or the Borrower, or any member of their Controlled Group, (d) enter into any new Plan or modify any existing Plan so as to increase its obligations thereunder (except in the ordinary course of business consistent with past practice) which could result in any material (in the opinion of Administrative Agent) liability to any of the Parents, the Borrower or any Subsidiary of the Parents or the Borrower, or any member of their Controlled Group, or (e) permit the present value of all benefit liabilities, as defined in Title IV of ERISA, under each Plan of each of the Parents, the Borrower or any Subsidiary of the Parents or the Borrower, or any member of their Controlled Group (using the actuarial assumptions utilized by the PBGC upon termination of a Plan) to materially (in the opinion of Administrative Agent) exceed the

67

fair market value of Plan assets allocable to such benefits all determined as of the most recent valuation date for each such Plan.

7.16. RATE SWAP EXPOSURE. The Borrower shall not enter into or become liable in respect of any Interest Hedge Agreement pursuant to which the aggregate amount exceeds the aggregate principal amount of all Advances.

7.17. RESTRICTED SUBSIDIARIES AND OTHER OBLIGORS. The Borrower shall not permit any of its Restricted Subsidiaries or any other GCI Entity to violate any provision of this Article VII. u 7.18. Amendments to Material Agreements. The Borrower shall not, nor shall the Borrower permit any other GCI Entity to, amend or change any Loan Paper other than with the prior written consent of the Lenders pursuant to Section 10.01 hereof, nor shall the Borrower or any other GCI Entity change or amend (or take any action or fail to take any action the result of which is an effective amendment or change) or accept any waiver or consent with respect to (a) any Non-Compete Agreement, (b) that certain Transponder Purchase Agreement for Galaxy X, dated August 24, 1995, among the Borrower and Hughes Communications Galaxy, Inc., (c) that certain Transponder Service Agreement, dated August 24, 1995, among [General Communication Corp.] and Hughes Communications Satellite Services, Inc., (d) the Senior Notes and all documentation and agreements relating to the Senior Notes, other changes that result in a decrease in interest rate, extension of maturity, or deletion of covenants or obligations to repay, (e) the Prime Management Agreement, or (f) all documentation related to any Funded Debt of any GCI Entity.

7.19. LIMITATION ON RESTRICTIVE AGREEMENTS. The Borrower shall not, and shall not permit the Parents or any Restricted Subsidiary to, other than in connection with the Senior Notes, enter into any indenture, agreement, instrument, financing document or other arrangement which, directly or indirectly, prohibits or restrains, or has the effect of prohibiting or restraining, or imposes materially adverse conditions upon: (a) the incurrence of Debt, (b) the granting of Liens, (c) the making or granting of Guarantees, (d) the payment of dividends or Distributions, (e) the purchase, redemption or retirement of any Capital Stock, (f) the making of loans or advances, (g) transfers or sales of property or assets (including Capital Stock) by the Parents, the Borrower or any of the Restricted Subsidiaries, (h) the making of Investments or acquisitions, or (h) any change of control or management.

ARTICLE VIII. EVENTS OF DEFAULT

8.01. EVENTS OF DEFAULT. Any one or more of the following shall be an "EVENT OF DEFAULT" hereunder, if the same shall occur for any reason whatsoever, whether voluntary or involuntary, by operation of Law, or otherwise:

68

(a) The Borrower shall fail to pay (i) any principal when due; or (ii) any interest on any Note within three days after the same becomes due; or (iii) any Commitment Fees, other fees, or other amounts payable under any Loan Paper within five days after the same becomes due;

(b) Any representation or warranty made or deemed made by the Borrower or any other GCI Entity (or any of its officers or representatives) under or in connection with any Loan Papers shall prove to have been incorrect or misleading when made or deemed made;

(c) The Borrower or any other GCI Entity shall fail to perform or observe any term or condition contained in ARTICLE VI hereof (except Section 6.05(f) hereof) which is not remedied within thirty days after the earlier of (i) actual knowledge of such breach by the Parents, the Borrower or any of the Restricted Subsidiaries of such breach and (ii) written notice from the Administrative Agent or any Lender of such breach;

(d) The Borrower or any other GCI Entity shall fail to perform or observe any term or covenant contained in ARTICLE VII hereof or in Section 6.05(f) hereof;

(e) Any GCI Entity shall fail to perform or observe any other term or covenant contained in any Loan Paper, other than those described in Sections 8.01(a), (b), (c) and (d) hereof which is not remedied within thirty days after the earlier of (i) actual knowledge of such breach by the Parents, the Borrower or any of the Restricted Subsidiaries of such breach and (ii) written notice from the Administrative Agent or any Lender of such breach;

(f) Any Loan Paper or material provision thereof shall, for any reason, not be valid and binding on the GCI Entity signatory thereto, or not be in full force and effect, or shall be declared to be null and void; the validity or enforceability of any Loan Paper shall be contested by any GCI Entity; any GCI Entity shall deny that it has any or further liability or obligation under its respective Loan Papers; or any default or breach under any provision of any Loan Papers shall continue after the applicable grace period, if any, specified in such Loan Paper;

(g) Any of the following shall occur: (i) any of the Parents, the Borrower or any Subsidiary of the Parents or the Borrower shall make an assignment for the benefit of creditors or be unable to pay its debts generally as they become due; (ii) any of the Parents, the Borrower or any Subsidiary of the Parents or the Borrower shall petition or apply to any

Tribunal for the appointment of a trustee, receiver, or liquidator of it, or of any substantial part of its assets, or shall commence any proceedings relating to any of the Parents, the Borrower or any Subsidiary of the Parents or the Borrower under any Debtor Relief Law, whether now or hereafter in effect; (iii) any such petition or application shall be filed, or any such proceedings shall be commenced, against any of the Parents, the Borrower or any Subsidiary of the Parents or the Borrower, or an order, judgment or decree shall be entered appointing any such trustee, receiver, or liquidator, or approving the petition in any such proceedings and such petition, application or proceedings shall continue undismissed for 30 days or such order, judgment or decreed shall continue unstayed and in effect for 30 days; (iv) any final order, judgment, or decree shall be entered in any proceedings against any of the Parents, the Borrower or

69

any Subsidiary of the Parents or the Borrower decreeing its dissolution; (v) any final order, judgment, or decree shall be entered in any proceedings against any of the Parents, the Borrower, or any Subsidiary of the Parents or the Borrower decreeing its split-up which requires the divestiture of a substantial part of its assets; or (vi) any of the Parents, the Borrower or any Subsidiary of the Parents or the Borrower shall petition or apply to any Tribunal for the appointment of a trustee, receiver, or liquidator of it, or of any substantial part of its assets, or shall commence any proceedings relating to any of the Parents, the Borrower or any Subsidiary of the Parents or the Borrower under any Debtor Relief Law, whether now or hereafter in effect;

(h) Any GCI Entity shall fail to pay any Debt or Contingent Liability of \$1,000,000 or more when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt or Contingent Liability; or any GCI Entity shall fail to perform or observe any term or covenant contained in any agreement or instrument relating to any such Debt or Contingent Liability, when required to be performed or observed, and such failure shall continue after the applicable grace period, if any, specified in such agreement or instrument, and can result in acceleration of the maturity of such Debt or Contingent Liability; or any such Debt or Contingent Liability shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment), prior to the stated maturity thereof;

(i) Any GCI Entity shall have any judgment(s) outstanding against it for the payment of \$1,000,000 or more, and such judgment(s) shall remain unstayed, in effect, uncontested and unpaid for a period of 30 days;

(j) (i) Any Authorization necessary for the ownership or essential for the operation of any of the interstate or intrastate telecommunications systems or networks operated by the Parents, the Borrower or any Restricted Subsidiary or any other System, shall expire, and on or prior to such expiration, the same shall not have been renewed or replaced by another Authorization authorizing substantially the same operations of such System; or (ii) any Authorization necessary for the ownership or essential for the operation of any of System shall be canceled, revoked, terminated, rescinded, annulled, suspended or modified in a materially adverse respect, or shall no longer be in full force and effect, or the grant or the effectiveness thereof shall have been stayed, vacated, reversed or set aside, and such action shall be no longer subject to further administrative or judicial review; or (iii) the FCC shall have issued, on its own initiative and not upon the complaint of or at the request of a third party, any hearing designation order in any non-comparative license renewal proceeding or any license revocation proceeding involving any License or Authorization necessary for the ownership or essential for the operation of any System; or (iv) in any non-comparative license renewal proceeding or license revocation proceeding initiated by the FCC upon the complaint of or at the request of a third party or any comparative (i.e., multiple applicant) license renewal proceeding, in each case involving any License or Authorization necessary for the ownership or essential for the operation of any System; any administrative law judge of the FCC (or successor to the functions of an administrative law judge of the FCC) shall have issued an initial decision to the effect that the Parents, the Borrower or any Restricted Subsidiary lacks the basic qualifications to own or operate

70

any System or is not deserving of a renewal expectancy, and such initial decision shall not have been timely appealed or shall otherwise have become an order that is final and no longer subject to further administrative or judicial review (provided, however, that none of the foregoing events described in clauses (i), (ii), (iii) or (iv) of this Section 8.01(j) shall constitute an Event of Default if such expiration, cancellation, revocation or other loss would not materially adversely affect the value of any of the Collateral or the ability of the Parents, the Borrower or any Restricted Subsidiary to perform its obligations under the Loan Papers to which it is a

party);

(k) Any of the Parents, the Borrower, or any Subsidiary of the Parents or the Borrower, or any ERISA Affiliate, shall have committed a failure described in Section 302(f)(1) of ERISA, and the amount determined under Section 302(f)(3) of ERISA is equal to or greater than \$1,000,000;

(l) The Parents, the Borrower, any Subsidiary of the Parents or the Borrower, or any ERISA Affiliate, shall have been notified by the sponsor of a Multiemployer Plan that such Plan is in reorganization or is being terminated, within the meaning of Title IV of ERISA, if as a result thereof the aggregate annual contributions to all Multiemployer Plans in reorganization or being terminated is increased over the amounts contributed to such Plans for the preceding Plan year by an amount exceeding \$1,000,000;

(m) The Borrower or any GCI Entity shall be required under any Environmental Law (i) to implement any remedial, neutralization, or stabilization process or program, the cost of which could constitute a Material Adverse Change, or (ii) to pay any penalty, fine, or damages in an aggregate amount of \$1,000,000 or more;

(n) Any Property (whether leased or owned) of any GCI Entity, or the operations conducted thereon by any of them or any current or prior owner or operator thereof (in the case of real Property), shall violate or have violated any applicable Environmental Law, if such violation could constitute a Material Adverse Change; or any GCI Entity shall not obtain or maintain any License required to be obtained or filed under any Environmental Law in connection with the use of such Property and assets, including without limitation past or present treatment, storage, disposal, or release of Hazardous Materials into the environment, if the failure to obtain or maintain the same could constitute a Material Adverse Change;

(o) Any Collateral Document shall for any reason (other than pursuant to the terms thereof) cease to create a valid and perfected first priority Lien in the Collateral (except for the Lien on the stock of GCI Leasing Co., Inc. which shall be a second Lien behind the Prior Stock Lien) purported to be covered thereby and the value of such Collateral, singly or in the aggregate, equals or exceeds \$1,000,000;

(p) The occurrence of any Change of Control; or (i) two or more of the following three senior executive managers of the Borrower shall not be employees of the Borrower for 60 consecutive days: John Lowber, Ron Duncan or Wilson Hughes and (ii) the Borrower shall have not

71

replaced such senior executive managers with new employees acceptable to the Majority Lenders, such consent not to be unreasonably withheld;

(q) At any time, less than 100% of the Capital Stock of the Borrower, the Restricted Subsidiaries and the Guarantors (except the Capital Stock of GCI does not have to be pledged) shall be pledged to the Lenders to secure the Obligations pursuant to a first and prior perfected Lien (subject to inchoate tax liens), ***[except with respect to the Lien on the stock of GCI Leasing Co., Inc.]***; ***[at any time, less than 100% of the Capital Stock of GCI Leasing Co., Inc. shall be pledged to the Lenders to secure the Obligations pursuant to a second perfected Lien (behind the Prior Tax Lien and subject to inchoate tax Liens)]***; or all or any portion of the Collateral constituting any System or systems which service 5% or more of the customers of the Borrower and the Restricted Subsidiaries ("Significant Segment"), or all or any portion of the Pledged Interests or the Pledge Agreements shall be the subject of any proceeding instituted by any Person, or there shall exist any litigation or overtly threatened litigation with respect to all or any portion of the Collateral constituting Significant Segment or all or any portion of the Pledged Interests or the Pledge Agreement; or all or any portion of the Collateral constituting a Significant Segment shall be the subject of any legal proceeding instituted by any Person other than a Lender or Administrative Agent (except in connection with any Lender's exercise of any remedies under the Loan Papers); or any document or instrument creating or granting a security interest or Lien in any Collateral shall for any reason fail to create a valid first priority security interest (subject to Permitted Liens and the Prior Stock Lien) in any collateral purported to be covered thereby; or any material portion of the Collateral shall not be subject to a prior perfected security interest (subject to Permitted Liens), or be subject to attachment, levy or replenishment, unless such attachment, levy or replenishment shall be stayed, or bonded in an amount substantially equal to the fair market value of such Property and only for so long as such stay or bond exists;

(r) (i) A petition or complaint is filed before or by the Federal Trade Commission, the United States Justice Department, or any other Tribunal, seeking to cause the Borrower or any other GCI Entity to divest a significant portion of its assets or the Capital Stock of any GCI Entity or the Borrower,

pursuant to any antitrust, restraint of trade, unfair competition or similar Laws, and such petition or complaint is not dismissed or discharged within 60 days of the filing thereof, which such divestiture could reasonably be expected to cause a Material Adverse Change or (ii) A warrant of attachment or execution or similar process shall be issued or levied against Property of the Borrower or any other GCI Entity which, together with all other such Property of the Borrower and the other GCI Entities subject to other such process, exceeds in value \$1,000,000 in the aggregate, and if such judgment or award is not insured or, within 60 days after the entry, issue or levy thereof, such judgment, warrant or process shall not have been paid or discharged, bonded or stayed pending appeal, or if, after the expiration of any such stay, such judgment, warrant or process shall not have been paid or discharged;

(s) Any civil action, suit or proceeding shall be commenced against any GCI Entity under any federal or state racketeering statute (including, without limitation, the Racketeer Influenced and Corrupt Organization Act of 1970) ("RICO") and such suit shall be adversely determined by a court

72

of applicable jurisdiction resulting in a judgment against such GCI Entity in excess of \$1,000,000; or any criminal action or proceeding shall be commenced against any GCI Entity under any federal or state racketeering statute (including, without limitation, RICO); and

(t) There shall exist any breach or default under any documentation relating to the Senior Notes.

8.02. REMEDIES UPON DEFAULT. If an Event of Default described in Section 8.01(g) hereof shall occur with respect to the Parents, the Borrower or any Subsidiary of the Parents or the Borrower, the Revolving Commitment and the Revolver/Term Commitment shall be immediately terminated and the aggregate unpaid principal balance of and accrued interest on all Advances shall, to the extent permitted by applicable Law, thereupon become due and payable concurrently therewith, without any action by Administrative Agent or any Lender, and without diligence, presentment, demand, protest, notice of protest or intent to accelerate, or notice of any other kind, all of which are hereby expressly waived. Subject to the foregoing sentence, if any Event of Default shall occur and be continuing, then no LIBOR Advances shall be available to the Borrower and Administrative Agent may at its election, and shall at the direction of Majority Lenders, do any one or more of the following:

(a) Declare the entire unpaid balance of all Advances immediately due and payable, whereupon it shall be due and payable without diligence, presentment, demand, protest, notice of protest or intent to accelerate, or notice of any other kind (except notices specifically provided for under Section 8.01), all of which are hereby expressly waived (except to the extent waiver of the foregoing is not permitted by applicable Law);

(b) Terminate the Revolving Commitment and/or the Letter of Credit Commitment and/or the Revolver/Term Commitment;

(c) Reduce any claim of Administrative Agent and Lenders to judgment;

(d) Demand (and the Borrower shall pay to Administrative Agent) immediately upon demand and in immediately available funds, the amount equal to the aggregate amount of the Letters of Credit then outstanding, irrespective of whether such Letters of Credit have been drawn upon, all as set forth and in accordance with the terms of provisions of Article III hereof. The Administrative Agent shall promptly advise the Borrower of any such declaration or demand but failure to do so shall not impair the effect of such declaration or demand; and

(e) Exercise any Rights afforded under any Loan Papers, by Law, including but not limited to the UCC, at equity, or otherwise.

8.03. CUMULATIVE RIGHTS. All Rights available to Administrative Agent and Lenders under the Loan Papers shall be cumulative of and in addition to all other Rights granted thereto at Law or in equity, whether or not amounts owing thereunder shall be due and payable, and whether or not

73

Administrative Agent or any Lender shall have instituted any suit for collection or other action in connection with the Loan Papers.

8.04. WAIVERS. The acceptance by Administrative Agent or any Lender at any time and from time to time of partial payment of any amount owing under any Loan Papers shall not be deemed to be a waiver of any Default or Event of Default then existing. No waiver by Administrative Agent or any Lender of any Default or Event of Default shall be deemed to be a waiver of any Default or Event of Default other than such Default or

Event of Default. No delay or omission by Administrative Agent or any Lender in exercising any Right under the Loan Papers shall impair such Right or be construed as a waiver thereof or an acquiescence therein, nor shall any single or partial exercise of any such Right preclude other or further exercise thereof, or the exercise of any other Right under the Loan Papers or otherwise.

8.05. PERFORMANCE BY ADMINISTRATIVE AGENT OR ANY LENDER. Should any covenant of any GCI Entity fail to be performed in accordance with the terms of the Loan Papers, Administrative Agent may, at its option, perform or attempt to perform such covenant on behalf of such GCI Entity. Notwithstanding the foregoing, it is expressly understood that neither Administrative Agent nor any Lender assumes, and shall not ever have, except by express written consent of Administrative Agent or such Lender, any liability or responsibility for the performance of any duties or covenants of any GCI Entity.

8.06. EXPENDITURES. The Borrower shall reimburse Administrative Agent and each Lender for any sums spent by it in connection with the exercise of any Right provided herein. Such sums shall bear interest at the lesser of (a) the Base Rate in effect from time to time, plus 2.0% and (b) the Highest Lawful Rate, from the date spent until the date of repayment by the Borrower.

8.07. CONTROL. None of the covenants or other provisions contained in this Agreement shall, or shall be deemed to, give Administrative Agent or any Lender any Rights to exercise control over the affairs and/or management of any GCI Entity, the power of Administrative Agent and each Lender being limited to the Rights to exercise the remedies provided in this Article; PROVIDED, HOWEVER, that if Administrative Agent or any Lender becomes the owner of any partnership, stock or other equity interest in any Person, whether through foreclosure or otherwise, it shall be entitled to exercise such legal Rights as it may have by being an owner of such stock or other equity interest in such Person.

ARTICLE IX. THE ADMINISTRATIVE AGENT

9.01. AUTHORIZATION AND ACTION. Each Lender hereby appoints and authorizes Administrative Agent to take such action as Administrative Agent on its behalf and to exercise such powers under this Agreement and the other Loan Papers as are delegated to the Administrative Agent by the terms of the Loan Papers, together with such powers as are reasonably incidental thereto. As to any matters not expressly provided for by this Agreement and the other Loan Papers (including without limitation enforcement or collection of the Notes), Administrative Agent shall not be required

74

to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of Majority Lenders (or all Lenders, if required under Section 10.01), and such instructions shall be binding upon all Lenders; PROVIDED, HOWEVER, that Administrative Agent shall not be required to take any action which exposes Administrative Agent to personal liability or which is contrary to any Loan Papers or applicable Law. Administrative Agent agrees to give to each Lender notice of each notice given to it by the Borrower pursuant to the terms of this Agreement, and to distribute to each applicable Lender in like funds all amounts delivered to Administrative Agent by the Borrower for the Ratable or individual account of any Lender.

9.02. ADMINISTRATIVE AGENT'S RELIANCE, ETC. Neither Administrative Agent, nor any of its directors, officers, agents, employees, or representatives shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement or any other Loan Paper, except for its or their own gross negligence or willful misconduct. Without limitation of the generality of the foregoing, Administrative Agent (a) may treat the payee of any Note as the holder thereof until Administrative Agent receives written notice of the assignment or transfer thereof signed by such payee and in form satisfactory to Administrative Agent; (b) may consult with legal counsel (including counsel for the Borrower or any of the Restricted Subsidiaries), independent public accountants, and other experts selected by it, and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants, or experts; (c) makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties, or representations made in or in connection with this Agreement or any other Loan Papers; (d) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants, or conditions of this Agreement or any other Loan Papers on the part of any GCI Entity or the Restricted Subsidiaries or to inspect the Property (including the books and records) of any GCI Entity or the Restricted Subsidiaries; (e) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency, or value of this Agreement, any other Loan Papers, or any other instrument or document furnished pursuant hereto; and (f) shall incur no liability under or in respect of this

Agreement or any other Loan Papers by acting upon any notice, consent, certificate, or other instrument or writing believed by it to be genuine and signed or sent by the proper party or parties.

9.03. NATIONSBANK OF TEXAS, NATIONAL ASSOCIATION AND AFFILIATES. With respect to its Revolving Commitment, its Revolver/Term Commitment, its Advances, its Specified Percentage of the Revolver/Term Loan and any Loan Papers, NationsBank of Texas, National Association has the same Rights under this Agreement as any other Lender and may exercise the same as though it were not Administrative Agent. NationsBank of Texas, National Association and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with, any GCI Entity, any Affiliate thereof, and any Person who may do business therewith, all as if NationsBank of Texas, National Association were not Administrative Agent and without any duty to account therefor to any Lender.

75

9.04. LENDER CREDIT DECISION. Each Lender acknowledges that it has, independently and without reliance upon Administrative Agent or any other Lender, and based on the financial statements referred to in Section 5.04 hereof and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the other Loan Papers.

9.05. INDEMNIFICATION BY LENDERS. Lenders shall indemnify Administrative Agent, pro rata, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against Administrative Agent in any way relating to or arising out of any Loan Papers or any action taken or omitted by Administrative Agent thereunder, including any negligence of Administrative Agent; PROVIDED, HOWEVER, that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements resulting from Administrative Agent's gross negligence or willful misconduct. Without limitation of the foregoing, Lenders shall reimburse Administrative Agent, pro rata, promptly upon demand for any out-of-pocket expenses (including reasonable attorneys' fees) incurred by Administrative Agent in connection with the preparation, execution, delivery, administration, modification, amendment, or enforcement (whether through negotiation, legal proceedings or otherwise) of, or legal and other advice in respect of rights or responsibilities under, the Loan Papers. The indemnity provided in this Section 9.05 shall survive the termination of this Agreement.

9.06. SUCCESSOR ADMINISTRATIVE AGENT. Administrative Agent may resign at any time by giving written notice thereof to Lenders and the Borrower, and may be removed at any time with or without cause by the action of all Lenders (other than Administrative Agent, if it is a Lender). Upon any such resignation, Majority Lenders shall have the right to appoint a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed and shall have accepted such appointment within thirty days after the retiring Administrative Agent's giving of notice of resignation, then the retiring Administrative Agent may, on behalf of Lenders, appoint a successor Administrative Agent, which shall be a commercial bank organized under the Laws of the United States of America or of any State thereof and having a combined capital and surplus of at least \$50,000,000. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the Rights and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations under the Loan Papers, provided that if the retiring or removed Administrative Agent is unable to appoint a successor Administrative Agent, Administrative Agent shall, after the expiration of a sixty day period from the date of notice, be relieved of all obligations as Administrative Agent hereunder. Notwithstanding any Administrative Agent's resignation or removal hereunder, the provisions of this ARTICLE shall continue to inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement.

76

ARTICLE X. MISCELLANEOUS

10.01. AMENDMENTS AND WAIVERS. No amendment or waiver of any provision of this Agreement or any other Loan Papers, nor consent to any departure by the Borrower or any other GCI Entity therefrom, shall be effective unless the same shall be in writing and signed by Administrative Agent with the consent of Majority Lenders, and then any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given;

PROVIDED, HOWEVER, that no amendment, waiver, or consent shall (and the result of action or failure to take action shall not) unless in writing and signed by all of Lenders and Administrative Agent, (a) increase the Revolving Commitment (except in accordance with the provisions of Section 2.16 hereof), increase the Revolver/Term Commitment or the Letter of Credit Commitment, (b) reduce any principal, interest, fees, or other amounts payable hereunder, or waive or result in the waiver of any Event of Default under Section 8.01(a), (c) postpone any date fixed for any payment of principal, interest, fees, or other amounts payable hereunder, (d) release any Collateral or Guaranties securing any GCI Entity's obligations hereunder, other than releases contemplated hereby and by the Loan Papers, (e) change the meaning of Specified Percentage or the number of Lenders required to take any action hereunder, or (f) amend this Section 10.01. No amendment, waiver, or consent shall affect the Rights or duties of Administrative Agent under any Loan Papers, unless it is in writing and signed by Administrative Agent in addition to the requisite number of Lenders.

10.02. NOTICES.

(a) MANNER OF DELIVERY. All notices communications and other materials to be given or delivered under the Loan Papers shall, except in those cases where giving notice by telephone is expressly permitted, be given or delivered in writing. All written notices, communications and materials shall be sent by registered or certified mail, postage prepaid, return receipt requested, by telecopier, or delivered by hand. In the event of a discrepancy between any telephonic notice and any written confirmation thereof, such written confirmation shall be deemed the effective notice except to the extent Administrative Agent, any Lender or the Borrower has acted in reliance on such telephonic notice.

(b) ADDRESSES. All notices, communications and materials to be given or delivered pursuant to this Agreement shall be given or delivered at the following respective addresses and telecopier and telephone numbers and to the attention of the following individuals or departments:

If to the Borrower:

GCI Holdings, Inc.
2550 Denali Street, Suite 1000
Anchorage, Alaska 99503-2781

Attention: Mr. John M. Lowber

77

Telephone No.: (907) 265-5628
Facsimile No.: (907) 265-5676

With a Copy to:

Attention:

Telephone No.:
Facsimile No.:

If to Administrative Agent:

NationsBank of Texas, N.A.
901 Main Street, 64th Floor
Dallas, Texas 75202

Attention: Whitney L. Busse
Vice President

Telephone No.: (214) 508-0950
Facsimile No.: (214) 508-9390

With a Copy to:

Donohoe, Jameson & Carroll, P.C.
3400 Renaissance Tower
1201 Elm Street
Dallas, Texas 75270

Attention: Melissa Ruman Stewart
Telephone No.: (214) 698-3814
Facsimile No.: (214) 744-0231

(c) If to any Lender, to its address set forth below opposite its signature or on any Assignment and Acceptance or amendment to this Agreement.

or at such other address or, telecopier or telephone number or to the

attention of such other individual or department as the party to which such information pertains may hereafter specify for the purpose in a notice to the other specifically captioned "Notice of Change of Address".

78

(d) EFFECTIVENESS. Each notice, communication and any material to be given or delivered to any party pursuant to this Agreement shall be effective or deemed delivered or furnished (i) if sent by mail, on the fifth day after such notice, communication or material is deposited in the mail, addressed as above provided, (ii) if sent by telecopier, when such notice, communication or material is transmitted to the appropriate number determined as above provided in this Section 10.02 and the appropriate receipt is received or otherwise acknowledged, (iii) if sent by hand delivery or overnight courier, when left at the address of the addressee addressed as above provided, and (iv) if given by telephone, when communicated to the individual or any member of the department specified as the individual or department to whose attention notices, communications and materials are to be given or delivered except that notices of a change of address, telecopier or telephone number or individual or department to whose attention notices, communications and materials are to be given or delivered shall not be effective until received; PROVIDED, HOWEVER, that notices to Administrative Agent pursuant to Article II shall be effective when received. The Borrower agrees that Administrative Agent shall have no duty or obligation to verify or otherwise confirm telephonic notices given pursuant to ARTICLE II, and agrees to indemnify and hold harmless Administrative Agent and Lenders for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, and expenses resulting, directly or indirectly, from acting upon any such notice.

10.03. PARTIES IN INTEREST. All covenants and agreements contained in this Agreement and all other Loan Papers shall bind and inure to the benefit of the respective successors and assigns of the parties hereto. Each Lender may from time to time assign or transfer its interests hereunder pursuant to Section 10.04 hereof. No GCI Entity may assign or transfer its Rights or obligations under any Loan Paper without the prior written consent of Administrative Agent.

10.04. ASSIGNMENTS AND PARTICIPATIONS.

(a) Subject to the following sentence, each Lender (an "Assignor") may assign its Rights and obligations as a Lender under the Loan Papers to one or more Eligible Assignees pursuant to an Assignment and Acceptance, so long as (i) each assignment shall be of a constant, and not a varying percentage of all Rights and obligations thereunder, (ii) each Assignor shall obtain in each case the prior written consent of Administrative Agent, which consent shall not be unreasonably withheld, (iii) each Assignor shall in each case pay a \$3,000 processing fee to Administrative Agent, and (iv) no such assignment is for an amount less than \$10,000,000. Assignments and other transfers (except participations) with respect to each Lender's participation in a given Letter of Credit may only be made with the prior written consent of the Administrative Agent. Within five Business Days after Administrative Agent receives notice of any such assignment, the Borrower shall execute and deliver to Administrative Agent, in exchange for the Notes issued to Assignor, new Notes to the order of such Assignor and its assignee in amounts equal to their respective Specified Percentages of the Revolving Commitment and the Revolver/Term Commitment. Such new Notes shall be dated the effective date of the assignment. It is specifically acknowledged and agreed that on and after the effective date of each assignment, the assignee shall be a party hereto and shall have the Rights and obligations of a Lender under the Loan Papers.

79

(b) Each Lender may sell participations to one or more Persons in all or any of its Rights and obligations under the Loan Papers; provided, however, that (i) such Lender's obligations under the Loan Papers shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) such Lender shall remain the holder of its Notes for all purposes of the Loan Papers, (iv) the participant shall be granted the Right to vote on or consent to only those matters described in Sections 10.01(a), (b), (c) and (d), (v) each GCI Entity, Administrative Agent, and other Lenders shall continue to deal solely and directly with such Lender in connection with its Rights and obligations under the Loan Papers and (vi) no such participation is for an amount less than \$10,000,000.

(c) Any Lender may, in connection with any assignment or participation, or proposed assignment or participation, disclose to the assignee or participant, or proposed assignee or participant, any information relating to any GCI Entity furnished to such Lender by or on behalf of any GCI Entity.

(d) Notwithstanding any other provision set forth in this Agreement, each Lender may at any time create a security interest in all or any portion of its Rights under this Agreement (including, without limitation, the Advances

owing to it and the Note or Notes held by it) in favor of any Federal Reserve Bank in accordance with Regulation A of the Board of Governors of the Federal Reserve System.

10.05. SHARING OF PAYMENTS. If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any Right of set-off, or otherwise) on account of its Advances in excess of its pro rata share of payments made by the Borrower, such Lender shall forthwith purchase participations in Advances made by the other Lenders as shall be necessary to share the excess payment pro rata with each of them; PROVIDED, HOWEVER, that if any of such excess payment is thereafter recovered from the purchasing Lender, its purchase from each Lender shall be rescinded and each Lender shall repay the purchase price to the extent of such recovery together with a pro rata share of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 10.05 may, to the fullest extent permitted by Law, exercise all its Rights of payment (including the Right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

10.06. RIGHT OF SET-OFF. Upon the occurrence and during the continuance of any Event of Default, each Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by Law, to set-off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement and the other Loan Papers, whether or not Administrative Agent or any Lender shall have made any demand under this Agreement or the other Loan Papers, and even if such obligations are unmatured. Each Lender shall promptly notify the Borrower after any such set-off and application, provided that the failure to give such notice shall not

80

affect the validity of such set-off and application. The Rights of each Lender under this Section 10.06 are in addition to other Rights (including, without limitation, other Rights of set-off) which such Lender may have.

10.07. COSTS, EXPENSES, AND TAXES.

(a) The Borrower agrees to pay on demand (i) all costs and expenses of Administrative Agent in connection with the preparation and negotiation of all Loan Papers, including without limitation the reasonable fees and out-of-pocket expenses of Special Counsel and (ii) all costs and expenses (including reasonable attorneys' fees and expenses) of Administrative Agent and each Lender in connection with administration, interpretation, modification, amendment, waiver, or release of any Loan Papers and any restructuring, work-out, or collection of any portion of the Obligations or the enforcement of any Loan Papers.

(b) In addition, the Borrower shall pay any and all stamp, debt, and other Taxes payable or determined to be payable in connection with any payment hereunder (other than Taxes on the overall net income of Administrative Agent or any Lender or franchise Taxes or Taxes on capital or capital receipts of Administrative Agent or any Lender), or the execution, delivery, or recordation of any Loan Papers, and agrees to save Administrative Agent and each Lender harmless from and against any and all liabilities with respect to, or resulting from any delay in paying or omission to pay any Taxes in accordance with this Section 10.07, including any penalty, interest, and expenses relating thereto. All payments by the Borrower or any Restricted Subsidiary under any Loan Papers shall be made free and clear of and without deduction for any present or future Taxes (other than Taxes on the overall net income of Administrative Agent or any Lender of any nature now or hereafter existing, levied, or withheld, or franchise Taxes or Taxes on capital or capital receipts of Administrative Agent or any Lender), including all interest, penalties, or similar liabilities relating thereto. If the Borrower shall be required by Law to deduct or to withhold any Taxes from or in respect of any amount payable hereunder, (i) the amount so payable shall be increased to the extent necessary so that, after making all required deductions and withholdings (including Taxes on amounts payable to Administrative Agent or any Lender pursuant to this sentence), Administrative Agent or any Lender receives an amount equal to the sum it would have received had no such deductions or withholdings been made, (ii) the Borrower shall make such deductions or withholdings, and (iii) the Borrower shall pay the full amount deducted or withheld to the relevant taxing authority in accordance with applicable Law. Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in this Section 10.07 shall survive the execution of this Agreement, termination of the Revolving Commitment, the Revolver/Term Commitment and/or the Letter of Credit Commitment, repayment of the Obligations, satisfaction of each agreement securing or assuring the Obligations and termination of this Agreement and each other Loan Paper.

10.08. INDEMNIFICATION BY THE BORROWER. The Borrower shall indemnify, defend, and hold harmless Administrative Agent, each Lender and their respective Affiliates, directors, officers, agents, employees, and representatives, from and against any and all liabilities, obligations, losses, damages,

81

penalties, actions, judgments, suits, claims, costs, expenses, and disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against any of them in any way relating to or arising out of any Loan Papers (including in connection with or as a result, in whole or in part, of the negligence of any of them), any transaction related hereto or thereto, or any act, omission, or transaction of the Borrower, any other GCI Entity and their respective Affiliates, or any of their directors, partners, officers, agents, employees, or representatives; provided, however, that neither Administrative Agent nor any Lender shall be indemnified, defended, and held harmless pursuant to this Section 10.08 to the extent of any losses or damages which the Borrower proves were caused by the indemnified party's willful misconduct or gross negligence.

10.09. RATE PROVISION. It is not the intention of any party to any Loan Papers to make an agreement violative of the Laws of any applicable jurisdiction relating to usury. In no event shall the Borrower or any other Person be obligated to pay any amount in excess of the Maximum Amount. If Administrative Agent or any Lender ever receives, collects or applies, as interest, any such excess, such amount which would be excessive interest shall be deemed a partial repayment of principal and treated hereunder as such; and if principal is paid in full, any remaining excess shall be paid to the Borrower or the other Person entitled thereto. In determining whether or not the interest paid or payable, under any specific contingency, exceeds the Maximum Amount, each GCI Entity, Administrative Agent and each Lender shall, to the maximum extent permitted under Applicable Law, (a) characterize any nonprincipal payment as an expense, fee or premium rather than as interest, (b) exclude voluntary prepayments and the effect thereof, and (c) amortize, prorate, allocate and spread in equal parts, the total amount of interest throughout the entire contemplated term of the Obligations so that the interest rate is uniform throughout the entire term of the Obligations; provided that if the Obligations are paid and performed in full prior to the end of the full contemplated term thereof, and if the interest received for the actual period of existence thereof exceeds the Maximum Amount, Administrative Agent or Lenders, as appropriate, shall refund to the Borrower the amount of such excess or credit the amount of such excess against the total principal amount owing, and, in such event, neither Administrative Agent nor any Lender shall be subject to any penalties provided by any Laws for contracting for, charging or receiving interest in excess of the Maximum Amount. This Section 10.09 shall control every other provision of all agreements among the parties to the Loan Papers pertaining to the transactions contemplated by or contained in the Loan Papers.

10.10. SEVERABILITY. If any provision of any Loan Papers is held to be illegal, invalid, or unenforceable under present or future Laws during the term thereof, such provision shall be fully severable, the appropriate Loan Paper shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part thereof, and the remaining provisions thereof shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance therefrom. Furthermore, in lieu of such illegal, invalid, or unenforceable provision there shall be added automatically as a part of such Loan Paper a legal, valid, and enforceable provision as similar in terms to the illegal, invalid, or unenforceable provision as may be possible.

82

10.11. EXCEPTIONS TO COVENANTS. No GCI Entity shall be deemed to be permitted to take any action or to fail to take any action that is permitted as an exception to any covenant in any Loan Papers, or that is within the permissible limits of any covenant, if such action or omission would result in a violation of any other covenant in any Loan Papers.

10.12. COUNTERPARTS. This Agreement and the other Loan Papers may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument. In making proof of any such agreement, it shall not be necessary to produce or account for any counterpart other than one signed by the party against which enforcement is sought.

10.13. GOVERNING LAW; WAIVER OF JURY TRIAL.

(a) THIS AGREEMENT AND ALL OTHER LOAN PAPERS SHALL BE DEEMED TO BE CONTRACTS MADE IN DALLAS, TEXAS, AND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS (WITHOUT GIVING EFFECT TO CONFLICT OF LAWS) AND THE UNITED STATES OF AMERICA. WITHOUT EXCLUDING ANY OTHER JURISDICTION AND NOT AS A LIMITATION OF SECTION 10.14 HEREOF, THE BORROWER AGREES THAT THE STATE AND FEDERAL COURTS OF TEXAS LOCATED IN DALLAS,

TEXAS, WILL HAVE JURISDICTION OVER PROCEEDINGS IN CONNECTION HERewith. TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE BORROWER HEREBY WAIVES ANY RIGHT THAT IT MAY HAVE TO A TRIAL BY JURY OF ANY DISPUTE (WHETHER A CLAIM IN TORT, CONTRACT, EQUITY, OR OTHERWISE) ARISING UNDER OR RELATING TO THIS AGREEMENT, THE OTHER LOAN PAPERS, OR ANY RELATED MATTERS, AND AGREES THAT ANY SUCH DISPUTE SHALL BE TRIED BEFORE A JUDGE SITTING WITHOUT A JURY.

(b) THE BORROWER HEREBY WAIVES PERSONAL SERVICE OF ANY LEGAL PROCESS UPON IT. THE BORROWER AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON IT BY REGISTERED MAIL (RETURN RECEIPT REQUESTED) DIRECTED TO THE BORROWER AT ITS ADDRESS DESIGNATED FOR NOTICE UNDER THIS AGREEMENT AND SERVICE SO MADE SHALL BE DEEMED TO BE COMPLETED FIVE DAYS AFTER DEPOSIT IN THE UNITED STATES MAIL. NOTHING IN THIS SECTION 10.13 SHALL AFFECT THE RIGHT OF ADMINISTRATIVE AGENT OR ANY LENDER TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

10.14. ENTIRE AGREEMENT. THIS AGREEMENT AND THE OTHER LOAN PAPERS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENT OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

83

REMAINDER OF PAGE LEFT BLANK INTENTIONALLY

84

IN WITNESS WHEREOF, this Credit Agreement is executed as of the date first set forth above.

THE BORROWER:

GCI HOLDINGS, INC.

By: John M. Lowber
Its: Senior Vice President and Chief
Financial Officer

ADMINISTRATIVE AGENT:

NATIONSBANK OF TEXAS, N.A., as
Administrative Agent

By: Whitney L. Busse
Its: Vice President

DOCUMENTATION AGENT:

CREDIT LYONNAIS NEW YORK BRANCH, as
Documentation Agent

By: _____
Its: _____

85

SYNDICATION AGENT:

TORONTO DOMINION (USA), INC., as
Syndication Agent

By: _____
Its: _____

SEVENTH AMENDMENT

This Seventh Amendment is made this 27th day of November, 1996 between GENERAL COMMUNICATIONS, INC. ("Customer") and MCI TELECOMMUNICATIONS CORPORATION ("MCI").

WHEREAS, Customer and MCI entered into a Carrier Agreement signed by MCI on January 1, 1993, as subsequently amended (the "Original Agreement").

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, Customer and MCI agree as follows:

Both parties agree that a mistake in the name of the Customer was made in the Original Agreement and that such mistake shall be corrected by amending the following Paragraphs:

1. The two paragraphs on Paragraph 2 of the Original Agreement shall be renumbered and will become Paragraph 2(a). In addition, the following shall be added to the Original Agreement as Paragraph 2(b):

(b) In the event of a sudden and significant change in the common carrier resale industry in the state of Alaska, that directly causes a significantly reduction in the Customer's operations and volume of purchases of MCI Services in this Agreement by twenty percent (20%), with the result that Customer will be unable to meet its monthly commitments, for a period of three (3) months(s) ("Shortfall Period") (notwithstanding Customer's best efforts to avoid such a shortfall), Customer shall provide MCI with a written request that MCI waive underutilization charges set forth in this Section 2(a) for the Shortfall Period. This provision may only be used one (1) time by Customer during the service term. MCI shall provide Customer with the underutilization waiver only if MCI agrees that this provision is applicable.

This provision shall not apply to a change resulting from a decision by Customer to: (i) reduce its overall use of telecommunications services; or (ii) transfer portions of its telecommunications traffic or projected growth to carriers other than MCI. Customer must give MCI immediate written notice, no more than five (5) days after the occurrence of the event described above, of the conditions it believes will require the application of this provision. This provision does not constitute a waiver of any charges, including underutilization charges, incurred by Customer prior to the time the parties mutually agree to waive any underutilization charges provided under this Agreement. In the event MCI grants Customer's request for the underutilization waiver, all terms and conditions of the Agreement shall remain in full force and effect. If the Shortfall Period exceeds (6) months, MCI may terminate this Agreement at any time.

2. The Second paragraph of Paragraph 3 shall be deleted in its entirety and will be replaced by the following:

Rates set forth in this Section 3 do not include charges for installation, taxes, tax-related surcharges, any other applicable surcharges, charges for access and access-related charges (including without limitation, access charges in the Tariff, which are additional) except as provided in Paragraph 3(n) herein. Rates are in lieu of any discounts and credits otherwise applicable pursuant to the Tariff.

3. Paragraph 3(a) of the Original Agreement is hereby amended by replacing the PRISM I Rate of "\$0.0550" appearing in paragraph 3(a)(1) with the rate of "\$0.0500.

4. Paragraph 3(a) of the Original Agreement is hereby amended by replacing the PRISM I off-peak rate of "\$0.0600" appearing in paragraph 3(a)(2) with the rate of "\$0.0500".

5. Paragraph 3(a)(1) of the Original Agreement is hereby amended by adding the words "except for service terminating to Alaska, Puerto Rico, and the U.S. Virgin Islands for which Customer shall pay Tariff rates less applicable Tariff discounts," after the words "MCI point of presence". In addition, the following paragraph shall be added to the end of Paragraph 3(a)(1) (under the PRISM I rate): If the sum of PRISM I traffic terminating in Hawaii and 800 DAL traffic originating in Hawaii is less than five percent (5%) of the total PRISM I traffic and 800 DAL traffic as set forth in this Agreement, then Customer shall receive the postalized rates set forth in this Paragraph 3(a)(1) for PRISM I traffic terminating in Hawaii.

6. Paragraph 3(c)(1)(A) of the Original Agreement shall be deleted in its entirety and subsequent paragraphs shall be renumbered accordingly.

7. Paragraph 3(c)(1)(B) of the Original Agreement is hereby amended by

replacing the MCI 800 DAL Rate of "\$0.0745" appearing in paragraph 3(c) (1) (B) with the rate of "\$0.0550".

8. Paragraph 3(c) (1) (B) of the Original Agreement is hereby amended by adding the words "except for service originating in Alaska, Puerto Rico, and the U.S. Virgin Islands for which Customer shall pay Tariff rates less applicable Tariff discounts," after the words "MCI point of presence".

9. A new Paragraph 3(c) (4) shall be added to the Original Agreement. The new paragraph 3(c) (4) shall read as follows:

4) The above rates for MCI 800 DAL Service do not include any feature charges described in the Tariff, including, but not limited to, any Toll Free Service Management System ("SMS") charges or RESP ORG charges, which may be additional. Except as provided below, Customer shall pay Tariff rates for feature

2

charges associated with MCI 800 DAL Service. For the features identified below, Customer shall pay Tariff rates except that for each Corporate I.D., Customer shall pay a maximum of:

\$300 per month, per Corporate I.D. for monthly recurring charges.
\$100 per month, per Corporate I.D. for non-recurring installation charges.
\$300 per month, per Corporate I.D. for non-recurring change order charges.

Feature

Point of Call Routing	Most Available Agent Routing
Day of Week Routing	MCI Rules Based Routing
Time Interval Routing	Tailored Call Coverage
Holiday Routing	MCI Profile Routing
MCI Quota Routing	DNIS
Sequential Allocation Routing	Id Codes (per 100)

10. Paragraph 3(e) shall be deleted in its entirety and the following shall be inserted in its place:

(e) DOMESTIC INTERSTATE DIRECTORY ASSISTANCE.

1) For domestic interstate Directory Assistance, Customer will pay, in addition to all applicable federal, state and local taxes and surcharges, \$0.38 per call

2) In each month in which Customer's total number of Directory Assistance calls equals or exceeds twenty-five thousand (25,000), the above postalized rate for Directory Assistance shall be reduced by \$0.0100.

11. Paragraph 3(h) of the Original Agreement is hereby amended by replacing the International PRISM I Service Terminating in Canada rate of "\$0.2300" appearing in paragraph 3(h) (1) with the rate of "\$0.1305".

12. A new Paragraph 3(h) (2) shall be added to the Original Agreement. The new paragraph 3(h) (2) shall read as follows:

2) CANADIAN BORDER CROSSING DISCOUNT

Customer is entitled to subscribe to and receive an additional per minute discount of \$0.0068 off the postalized rate in Paragraph 3(h) (1) above for International

3

PRISM I Canadian traffic delivered to a MCI Gateway Point of Presence ("POP") at any of the following MCI Canadian Border Crossings.

Seattle - Vancouver
Seattle - Calgary
Detroit - Toronto
Buffalo - Toronto
Rousses Point - Montreal

13. A new Paragraph 3(k) shall be added to the Original Agreement. The new paragraph shall read as follows:

(k) DOMESTIC INTERSTATE TDS 1.5.

For domestic interstate TDS 1.5 Service ("TDS 1.5 Service") terminating at Customer's owned and operated switch locations, Customer will pay, in addition to all taxes and tax-related surcharges, the Inter-Office Channel ("IOC") monthly charges based on circuit mileage as contained in the schedule below. Customer shall pay both the charges in Column A plus those in Column B.

	A	B
Circuit Mileage	Fixed Charge Per Circuit	Charge Per DS-0 Circuit Mile
-----	-----	-----
0 to 50	\$200.00	\$0.
50 to 99	\$	\$0.1400
110 to 499	\$	\$0.1325
500 and above	\$	\$0.1255

14. A new Paragraph 3(1) shall be added to the Original Agreement. The new paragraph 3(1) shall read as follows:

(1) DOMESTIC INTERSTATE TDS-45.

For domestic interstate TDS-45 Service ("TDS-45 Service") terminating at Customer's owned and operated switch locations, Customer will pay, in addition to all taxes and tax-related surcharges, the IOC monthly charges based on circuit mileage as contained in the schedule below. Customer shall pay both the charges in Column A plus those in Column B.

4

	A	B
Circuit Mileage	Fixed Charge Per Circuit	Charge Per DS-0 Circuit Mile
-----	-----	-----
0 to 114	\$5,000	\$0.
115 to 250	\$	\$0.0660
251 to 500	\$	\$0.0642
501 and above	\$	\$0.0631

15. A new Paragraph 3(m) shall be added to the Original Agreement. The new paragraph 3(m) shall read as follows:

(m) DOMESTIC INTERSTATE DS-O.

For domestic interstate DS-0 Service ("DS-0 Service") terminating at Customer's owned and operated switch locations, Customer will pay, in addition to all taxes and tax-related surcharges, the IOC monthly charges based on circuit mileage as contained in the schedule below. Customer shall pay both the charges in Column A plus those in Column B.

	A	B
Circuit Mileage	Fixed Charge Per Circuit	Charge Per DS-0 Circuit Mile
-----	-----	-----
0 to 99	\$50.00	\$0.
100 to 599	\$	\$0.50
600 and above	\$	\$0.40

16. A new Paragraph 3(n) shall be added to the Original Agreement. The new paragraph 3(n) shall read as follows:

(n) 1) All monthly recurring Central Office Connection ("COC") and monthly recurring Access Coordination ("AC") charges for domestic interstate TDS 1.5 Service, TDS-45 Service and DS-0 Service are included in the charges for those services.

2) Rates for domestic interstate TDS 1.5 Service, TDS-45 Service and DS-0 Service are based on a least mileage routing and the mileage per route is determined by using the airline mileage between the two applicable MCI Dedicated Leased Line

5

cities in accordance with the calculation as set forth in Section C-11, Table I, Part A of the Tariff. These rates shall apply only to circuits that are wholly-owned and operated end-to-end by MCI and the rates shall not apply to circuits with less than ten percent (10%) domestic interstate traffic.

The rates for domestic interstate TDS 1.5 Service, TDS-45 Service and DS-0 Service provided herein are in lieu of any rates, charges, promotions and discounts available from MCI in the Tariff or applicable state tariff for the AC< COC and IOC portion of such service including, without limitation, the Network Pricing Plan(s) specified in the Tariff.

17. A new Paragraph 4 shall be added to the Original Agreement and

subsequent paragraphs shall be renumbered accordingly. The new paragraph 4 shall read as follows:

4. CREDITS AND DISCOUNTS.

a. DEDICATED LEASED LINE INSTALLATION CREDIT

Customer shall receive a credit of up to Fifty Thousand Dollars (\$50,000.00) which shall be applied to the one-time installation and other non-recurring MCI Tariff charges (not including local exchange carrier or other third party access provider charges) associated with the implementation of TDS 1.5 Service, DS-0 Service, and TDS-45 Service. However, in no event shall such credit exceed Two Thousand Five Hundred Dollars (\$2,500) for each MCI TDS 1.5 Service circuit, One Thousand Two Hundred Dollars (\$1,200) for DS-0 Service, or Five Thousand Dollars (\$5,000) for each MCI TDS-45 Service circuit. Customer will be entitled to the credits specified in this paragraph, provided that (i) the credits shall only apply to circuits ordered and installed during the service term of this Agreement; and (ii) each circuit must remain in service with MCI for at least eighteen (18) months after the date of initial installation, unless terminated to be replaced by another circuit with MCI of equal or greater length. Customer shall reimburse MCI for any credits received for circuits terminated and not replaced by another circuit with MCI of equal or greater length. In addition, for each annual period during the Service Term following the Seventh Amendment Effective Date, Customer shall be entitled to a credit that will equal five percent (5%) of any usage in excess, measured in dollars, of the Six Million Six Hundred Thousand annual usage commitment. Said credit shall be applied to the one-time installation and other non-recurring MCI Tariff charges (not including local exchange carrier or other third party access provider charges) associated with the implementation of TDS 1.5 Service, DS-0 Service, and TDS-45 Service.

6

b. MCI DEDICATED LEASED LINE DISCOUNT.

During each monthly period of the Service Term in which Customer meets its Monthly Commitment, Customer will receive a discount on that months IOC charges for MCI domestic interstate Dedicated Leased Line Service (any combination of domestic interstate Dedicated Leased Line Service (any combination of domestic interstate TDS 1.5, TDS-45 or DS-0 Services), net of access charges, taxes and tax-related surcharges ("Monthly Private Line Revenue"). This discount will be a percentage of Customer's Monthly Private Line Revenue, as determined by the following schedule:

Monthly Private Line Revenue	Discount %
\$ 25,000	3%
\$ 75,000	4%
\$150,000	5%
\$250,000	6%

c. CITY PAIR DISCOUNT.

In addition to the rates for TDS 1.5 Service set forth above, Customer will receive a discount on its domestic interstate IOC charges for multiple TDS 1.5 circuits ordered and installed at the same time between city pairs pursuant to the following schedule:

Number of TDS 1.5 Circuits in City Pair	Discount
0-5	0%
6 and above	3%

18. After its execution by MCI, the terms of this Amendment shall be effective as of July 1, 1996 (hereinafter, Seventh Amendment Effective Date.)

7

19. This offer is valid and capable of being accepted by Customer until December 4, 1996. Any and all prior offers made to Customer, whether written or oral, shall be superseded by this offer. Except as herein modified or amended, the provisions, conditions and terms of the Original Agreement shall remain unchanged and in full force and effect.

Signature

Signature

Printed Name

Printed Name

Title

Title

Date

Date

FIRST AMENDMENT TO
CONTRACT FOR ALASKA ACCESS SERVICES

This FIRST AMENDMENT to the CONTRACT FOR ALASKA ACCESS SERVICES is made as of this first day of March, 1996, between GENERAL COMMUNICATION, INC. ("GCI") with offices located at 2550 Denali Street, Suite 1000, Anchorage, Alaska 99503-2781, and MCI TELECOMMUNICATIONS CORPORATION ("MCI") with offices located at 1801 Pennsylvania Avenue, N.W., Washington, DC 20006.

WHEREAS, GCI and MCI entered into a Contract For Alaska Access Services, effective as of January 1, 1993, and

WHEREAS, GCI and MCI desire to amend the Contract,

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, GCI and MCI agree as follows:

1. Paragraph 2.B.(2) of the Contract shall be deleted and the following inserted in its place:
 - (2) MCI SOUTHBOUND TRAFFIC. MCI Southbound Traffic (except for MCI Alaska Originated Traffic) shall be charged at the following rates per minute in the appropriate periods:

Date	Rate in Dollars
----	-----
January 1, 1996	.17
June 1, 1996	.164
January 1, 1997	.159
January 1, 1998	.154
January 1, 1999 and thereafter	.149

There shall be no time of day discount. GCI shall pay the Alaska exchange access and the Alascom interexchange charges for MCI Southbound Traffic. Any query charges associated with the routing of MCI Southbound Traffic, due to FCC Docket #86-10, will be passed on to MCI.

2. Paragraph 3 of the Contract shall be deleted and the following inserted in its place:

CGI CONFIDENTIAL
1

3. TERM. Except for MCI Alaska Originated Traffic, services provided pursuant to Section 2.A shall be a term of five (5) years beginning April 1, 1996 and ending March 31, 2001. The term shall be automatically extended for ten one (1) year periods through and including March 31, 2011 unless either party elects to cancel the renewal periods by giving written notice of non-renewal at least one year prior to the commencement of any renewal term. The services for MCI Alaska Originated traffic shall be for a term of seven (7) years upon the issue of the first ASR authorizing the turn up of a serving area. The term for MCI Alaska Originated Traffic shall be automatically extended for eight one (1) year periods through and including March 31, 2011 unless either party elects to cancel the renewal periods by giving written notice of non-renewal at least one year prior to the commencement of any renewal term.
3. All other terms and conditions of the contract remain unchanged by this Amendment and are in full force and effect.
4. This Amendment will be effective on April 1, 1996.
5. This Amendment together with the Contract is the complete agreement of the parties and supersedes all other prior contracts and representations concerning its subject matter. Any further amendments must be in writing and signed by both parties.

IN WITNESS WHEREOF, the parties hereto each acting with proper authority have executed this Amendment of the date indicated

below.

MCI TELECOMMUNICATIONS
CORPORATION

GENERAL COMMUNICATION, INC.

- -----
Authorized Signature

- -----
Authorized Signature

- -----
Print Name and Title

- -----
Print Name and Title

- -----
Date

- -----
Date

CGI CONFIDENTIAL
2

1997 CALL-OFF CONTRACT
between
National Bank of Alaska (NBA)
and
General Communication, Inc. (GCI)

THIS CONTRACT is made the 1st day of November 1996.

BETWEEN

NATIONAL BANK OF ALASKA whose registered offices are located at 301 West Northern Lights Blvd., Anchorage, Alaska 99503 (hereafter, "NBA") and GENERAL COMMUNICATION, INC. (GCI) whose registered offices are located at 2550 Denali St., Suite 1000, Anchorage, Alaska 99503 (hereafter "the Contractor")

WHEREAS

By a Framework Agreement dated 9 November 1995 entered into between NBA and the Contractor, terms were agreed to whereby the Contractor or an Associated Company of the Contractor would provide or ensure the provision of telecommunication services to be available to NBA and other NBA Associated Companies in substitution for the telecommunication services which were immediately prior to the execution of this Contract either provided from within NBA or acquired from Third Party contractors, NBA now wishes the Contractor to provide the Services and the Contractor is able to provide the Services on the terms set out below in this Contract.

IT IS THEREFORE AGREED as follows:

1. DEFINITIONS

- 1.1 A glossary of Definitions which shall apply to the terms used in this Contract appears as Annex A to the Framework Agreement and shall be deemed to be incorporated in this Contract.
- 1.2 In the event of conflict between this Contract and the Framework Agreement, the order of precedence shall be this Contract and the Framework Agreement.
- 1.3 For the avoidance of any doubt, Services will include all telecommunications and related services described in Schedule 1.

2. STATUS

- 2.1 This Contract may only be modified if such modification is in writing and signed by a duly authorized representative of each Party.
- 2.2 The following documents shall together form part of and shall be read with this Contract and shall represent the entire understanding between the Parties in relation

GENERAL COMMUNICATION, INC. (GCI)
1997 CALL-OFF CONTRACT

-2-

FINAL
04/14/97

to the subject matter hereof and supersede all previous agreements and representations made by either Party, whether oral or written.

1. The Framework Agreement
2. The Schedules:

Schedule 1 1997 Scope of Work
Schedule 2 1997 Service Levels
Schedule 3 1997 Expected Cost of Operation (CoOF) and Target
Schedule 4 Charges and Billing Information
Schedule 5 NBA and Contractor Premises
Schedule 6 Agency Letter
Schedule 7 Confidentiality Letter
Schedule 8 Long Term Contracts
Schedule 9 1997 Labor Rates
Schedule 10 Additional Terms & Conditions
Schedule 11 Out-of-Scope Projects

3. PROVISION OF SERVICES

The Contractor shall perform the Services in accordance with this Contract.

4. DURATION

The Services shall commence at 0001 hours on 1 January 1997 (Commencement Date) and shall continue until 2400 on 31 December 1997, unless extended by mutual agreement or subject to earlier termination.

5. INVOICES AND PAYMENT

- 5.1 In consideration of the provision of the Services NBA shall pay to the Contractor the Charges as provided for in Schedule 4.

General Communication, Inc. (GCI)
Accounts Payable Department
2550 Denali Street
Suite 900
Anchorage, Alaska 99503

GENERAL COMMUNICATION, INC. (GCI) FINAL
1997 CALL-OFF CONTRACT -3- 04/14/97

Tel: 907-265-5600
Fax: 907-265-5695
Contact: Richard A. Whitney
Director, Business Development

- 5.2 The Contractor shall render invoices to NBA at the intervals and in the manner specified in Section 21 of the Framework Agreement.

6. MANAGEMENT ORGANIZATION

- 6.1 The NBA Partner Relations Manager shall be Anna Rice, Senior Vice President, (907) 267-5354.
6.2 The Contractor Representative shall be Richard A. Whitney, Director, Business Development, (907) 265-5340.

7. NO WAIVER

- 7.1 Failure by either Party to exercise or enforce any right conferred by the Contract shall not be deemed to be a waiver of any such right nor operate so as to bar the exercise or enforcement thereof or of any other right on any other occasion.

8. SERVICE OF NOTICE

- 8.1 Any notice or other document which may be given by either Party under the Contract shall be deemed to have been duly given if left at or sent by pre-paid recorded delivery post or facsimile transmission (confirmed by letter sent by pre-paid recorded delivery post) to each Party's principal or registered office as set out below as an address to which notices, invoices and other documents may be sent:

NBA: National Bank of Alaska (NBA)
P.O. Box 100600
Anchorage, Alaska 99510-0600

Tel: 907-267-5354
Fax: 907-267-5391
Contact: Anna Rice
Senior Vice President

Contractor: General Communication, Inc. (GCI)
2550 Denali St.

GENERAL COMMUNICATION, INC. (GCI) FINAL
1997 CALL-OFF CONTRACT -4- 04/14/97

Suite 1000
Anchorage, Alaska 99503

Tel: 907-265-5600
Fax: 907-265-5695
Contact: Richard A. Whitney, Director,
Business Development

- 8.2 Any such communication shall be deemed to have been made to the other Party four days (4) from the date of posting (if by letter) and if by facsimile transmission on the day of such transmission provided the original of the communication is received by the other Party within 4 days of the date of transmission.

9. FURTHER ASSURANCES

The Contractor and NBA shall use all reasonable endeavors respectively to ensure that any Third Party necessary for the performance of the Services

shall do, execute and perform all such further deeds, documents, assurances, acts and things as either of the Parties hereto may reasonably require by notice in writing to any other party to carry the provision of the Contract into full force and effect.

10. GOVERNING LAW

This Contract shall, to the extent that any aspect or matter fails to be interpreted, conformed or adjudicated upon the parties themselves, be dealt with in accordance with the laws of the United States and the State of Alaska. Any controversy or claim arising out of or relating to this Agreement, or breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, such arbitration to take place in Anchorage, Alaska and judgment upon the award rendered by the Arbitrator(s) may be entered in any Court having jurisdiction thereof.

11. INVALIDITY

If any term or provision in the Contract shall in whole or in part be held to any extent to be illegal or unenforceable under any enactment or rule of law, that term or provision or part shall to that extent be deemed not to form part of the Contract and the enforceability of the remainder of the Contract shall not be affected.

GENERAL COMMUNICATION, INC. (GCI) FINAL
1997 CALL-OFF CONTRACT -5- 04/14/97

12. ADDITIONAL TERMS AND CONDITIONS

Additional terms and conditions to the Framework Agreement terms and to this Contract (if any) will be attached to this Contract as a separate Schedule.

IN WITNESS WHEREOF the Parties hereto have by duly authorized representatives set their hands the day and year first above written.

for and on behalf of)

NATIONAL BANK OF ALASKA (NBA))

for and on behalf of)

GENERAL COMMUNICATION, INC. (GCI))

GENERAL COMMUNICATION, INC. (GCI) FINAL
1997 CALL-OFF CONTRACT -6- 04/14/97

SCHEDULE 1: 1997 SCOPE OF WORK

1997 SCOPE OF WORK

1.0 INTRODUCTION

1.1 GENERAL

GCI will provide the services described in this Scope of Work document at all NBA premises shown in Schedule 5.

1.2 ASSUMPTIONS

- All on-site work performed will be handled as trouble requests, work requests or projects- centralized network management and other network services will be delivered pro-actively and will not be documented as one of the above;
- Work requests or projects that are required which are estimated to require 80 or more hours of effort will be treated as out-of-scope- for example, a work request to move all staff from one floor of a building to another floor or to install personal banker printers in all branch locations would be considered out-of-scope projects,

2.0 SCOPE OF WORK

2.1 OPERATION AND MANAGEMENT (O&M)

2.1.1 PROCUREMENT, SET-UP & INSTALLATION

- Coordinate establishment of desktop computer configuration standards with the NBA Help Desk;
- Provide centralized Setup facility for all desktop and server hardware; logistics support for shipment of computer hardware to sites;
- Perform or coordinate physical installation of computer hardware on LANs;

- Maintain relationships with key vendors and service providers to assure product and service support and continued knowledge of installed equipment, systems and services.

2.1.2 NETWORK MANAGEMENT

- Monitor network devices and associated cable plant/circuits, provide status/performance reports as required;

GENERAL COMMUNICATION, INC. (GCI)
1997 CALL-OFF CONTRACT

-7-

FINAL
04/14/97

- Provide proactive management of network devices to maintain established service levels;
- Provide configuration management of desktop and service hardware; manage/maintain operating system integrity;
- Initiate and coordinate change management for the following (1) desktop/server hardware and operating systems, (2) hubs and other LAN equipment/circuits; (3) routers, multiplexers, modems and other WAN equipment; (4) WAN private line circuits; (5) PBX and Key systems as applicable; (6) long distance services; (7) video conferencing systems and services.

2.1.3 TROUBLE REQUESTS

- Provide necessary resolution/support for desktop hardware, operating system and network connectivity problems;
- Provide necessary resolution/support for server hardware, operating system and network connectivity problems;
- Respond to and resolve user telephone station equipment and voicemail/feature service problems;
- Provide resolution of long distance calling or other service problems;
- Provide necessary resolution/support for PBX hardware and service problems;

2.1.4 WORK REQUESTS

- Move, add, change (MAC) of all telephone station equipment;
- Move, add, change (MAC) voicemail/features;
- Move, add, change (MAC) of all desktop computer equipment that is LAN connected;
- Move, add, change (MAC) business telephone lines;
- Desktop computer hardware installations not capable of being performed by users;

2.1.5 PROJECTS

- Coordinate and perform telephone systems, LAN/WAN systems projects involving moving facilities/workgroups or service upgrades of an operational basis not categorized as Major Changes;

GENERAL COMMUNICATION, INC. (GCI)
1997 CALL-OFF CONTRACT

-8-

FINAL
04/14/97

2.1.6 TRANSPORT SERVICES

- Provide or coordinate all long distance direct-dial, 800-service and other switched voice services;
- Provide or coordinate all circuit switched data services for data or video service;
- Provide or coordinate all private line, frame relay or other packet-switched long distance transport services;
- Provide or coordinate all local circuit switched voice, data, and video services;
- Provide or coordinate all wireless services;

2.2 CHANGE MANAGEMENT

2.2.1 TACTICAL MANAGEMENT

- Implement outage notification procedures in order to insure coordination between NBA, M&I and all other service providers involving all planned maintenance activity;
- Coordinate asset management systems, processes and procedures with NBA to provide complete inventory control of all telecommunications, server and desktop

- equipment, systems, circuits and software assets;
- Develop and maintain documentation for all equipment, system, circuit, network or software configuration, maintenance history, layout, revision level and status;

2.2.2 STRATEGIC PLANNING

- Maintain technical expertise on all currently installed and in-use equipment, systems, circuits, services and advances in technology;
- Present telecommunications and desktop support plans, designs, options and technical summaries to NBA for review;
- Provide technical consultancy in order to strategically meet all future telecommunications and desktop computing business requirements;
- Continuously monitor and evaluate telecommunications technologies relevant to NBA's business requirements; advise NBA on adoption of new technologies;
- Create and maintain a shared planning process with M&I and integrate the results of this planning process into NBA's strategic telecommunications plan.

GENERAL COMMUNICATION, INC. (GCI) FINAL
1997 CALL-OFF CONTRACT -9- 04/14/97

SCHEDULE 2: 1997 SCOPE OF WORK

GENERAL COMMUNICATION, INC. (GCI) FINAL
1997 CALL-OFF CONTRACT -10- 04/14/97

<TABLE>
I. PROBLEM/WORKFLOW MANAGEMENT

Task/Activity	Immediate(1) Logging	Immediate(2) Response	1 Hour Response	4 Hour Response	24 Hour Response	NBD Response	Negotiated Scheduling
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
A. TROUBLE REQUESTS							
- Desktop hardware							
0800-1800 M-F				X(3)			
After hours	X					X	
- LAN Server							
0800-1800 M-F	X	X					
After hours	X			X(3)			
- Communications Hardware							
0800-1800 M-F	X	X					
After hours	X	X					
- Communications Circuits							
0800-1800 M-F	X	X					
After hours	X	X					
- CBX/PBX system							
0800-1800 M-F	X	X					
After hours	X		X				

</TABLE>

-
- (1) Within five minutes of contact by customer
 - (2) Within five minutes of logging a request (trouble request or work request only)
 - (3) May vary by location

<TABLE>

Task/Activity	Immediate(1) Logging	Immediate(2) Response	1 Hour Response	4 Hour Response	24 Hour Response	NBD Response	Negotiated Scheduling
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
- Key System							
0800-1800 M-F	X	X					
After hours	X		X(3)				
- Phone station equipment							
0800-1800 M-F	X		X				
After hours	X					X(3)	
- ATMs							
0800-1800 M-F	X	X					

After hours	X	X					

B. WORK REQUESTS							
- Phone station equipment							
MAC							
0800-1800 M-F							
After hours	X				X		
Large requests	X				X		
- Voicemail/features	X						X
0800-1800 M-F							
After hours	X				X		
Large requests	X				X		
- Desktop computer/printer							X
MAC							
0800-1800 M-F							
After hours	X				X		
Large requests	X				X		

Task/Activity	Immediate (1) Logging	Immediate (2) Response	1 Hour Response	4 Hour Response	24 Hour Response	NBD Response	Negotiated Scheduling
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
- Business Telephone lines	X						X
0800-1800 M-F							
After hours	X						X
Large requests	X						X
	X						X

C. PROJECTS							
- All projects							
0800-1800 M-F	X						X
After hours	X						X
Large requests	X						X

II. NETWORK SERVICES

NETWORK SERVICE	SERVICE LEVEL
<S>	<C>
On-line Uptime (0600-2000 AST; seven days per week)	98% availability or greater
ATM/EFT availability (only circuit and data communications equipment)	98% availability (monthly)
Response Time (In-town)	2 seconds or less
Response Time (Out-of-town)	4 seconds or less
Backbone Service Availability	99.8% or greater
POS Service Availability	98.5% or greater

III. NETWORK SERVICE PERFORMANCE CALCULATION

- for: On-line Uptime - UP
- ATM/EFT Availability - ATM/EFT
- Monthly Performance - MP
- Annual Performance - AP
- # WAN Circuits - Circuits

$$Ap(up) = ((525,600 * Circuits) - Outage\ minutes) \text{ DIVIDED BY } (525,600 * Circuits)$$

$$MP(ATM/EFT) = ((\#Min.\ in\ Month) - Outage\ Minutes) \text{ DIVIDED BY } (Min.\ in\ Month) * 100\%$$

IV. REPORTING RESPONSIBILITY

GCI will provide a monthly Service Level report on the above Service Levels in a consistent, agreed-upon format to the designated NBA contact within 15 days following month-end. A presentation of Service Level

performance will be presented to NBA periodically at an Information Services Steering Committee meeting.

SCHEDULE 3: 1997 EXPECTED COST OF OPERATIONS (CoO(E))
AND TARGET

1997 TARGET CALCULATION(4)

<TABLE>

	1997 TARGET -----	EXPLANATION -----
<S>	<C>	
1996 ACTUAL COSTS(5)	\$4,995,000	Establishes the baseline for 1997 Target calculation
CHANGES IN SCOPE		
- - Transition Services	(\$50,000)	One time cost in 1996 not repeated
- - ATM Maintenance(5)	(\$285,000)	Shift responsibility to NBA
CHANGES IN VOLUME		
- - New Office	\$15,000	Lemon Creek branch annualized cost increase
- - Network Management	\$20,000	Annualized support and includes addition of up to 50 desktop devices
- - Long Distance	\$93,750	Adjustment is based on 16.5% minute growth; if actual growth is less than 15% or greater than 18%, an adjustment to this number (and the target) will be made using the number of minutes above/below the percentages
	\$0	multiplied by the current in-
- - Dial Tone	\$45,000	state long distance rate
- - Backbone Service		NBA will channel all new requests for tele-communications service for analysis and approval by GCI
CHANGES IN SERVICE LEVELS	\$0	No changes in Service Levels approved by NBA

Changes in Other

</TABLE>

<TABLE>

	1997 TARGET -----	EXPLANATION -----
<S>	<C>	
AREAS		
- - Increase in Direct Cost Margin(5)	\$10,000	Assume \$500,000 in Direct Costs in 1997
- - All LEC invoices to be routed through GCI	(\$10,000)	
TOTAL	\$4,833,750	

</TABLE>

-
- (4) The target for 1997 Call-Off Contract will be established by considering previous year's actual costs, including GCI margin but excluding any Risk/Reward incentives or penalties, plus/minus adjustments for Scope or volume changes and other mutually agreed to initiatives
 - (5) Year-end actuals will replace these costs

SCHEDULE 4: CHARGES AND BILLING INFORMATION

INVOICE SPECIMEN

Month of _____

INVOICE SUMMARY

Current

YTD

Direct Costs

Field Services
Labor
Benefits
Parts/Supplies
Expenses: Meals/Travel

O/S Managed Services
Labor
Benefits
Parts/Supplies
Expenses: Meals/Travel

Margin

Sub-contractor Costs

Company

Margin

Network Services

Network Management

Long Distance
800 Service
Administrative

Wireless

Base Telephone

TDM Services

Private Line

Backbone Services

SCHEDULE 5: NBA AND CONTRACTOR PREMISES

ANCHORAGE

Dimond
745 E. Dimond Boulevard
Anchorage, AK 99515
Manager: Sara Kipp
(907) 267-5525
(907) 267-5565 FAX

Dimond Mall
800 E. Dimond Boulevard
Suite 116
Anchorage, AK 99515
Manager: Pam Sievers
(907) 267-5505
(907) 267-5383 FAX

Fifth Avenue
630 E. Fifth Avenue
Anchorage, AK 99501
Manager: Judy Ferguson
(907) 263-2501
(907) 263-2514 FAX

510 L St. Ste. 102
Anchorage, AK 99501
Supervisor: Tami Florez
(907) 263-2565
(907) 263-2521 FAX

Fourth Avenue
446 W. Fourth Avenue
Anchorage, AK 99501
Manager: Matt Fitzgerald
(907) 265-2734
(907) 265-2039 FAX

Frontier
7731 E. Northern Lights Boulevard
Anchorage, AK 99504
Supervisor: Judy Butchart
(907) 265-2060
(907) 265-2067 FAX

Huffman
1351 E. Huffman Road
Anchorage, AK 99515
Manager: Mary Webb
(907) 267-5301
(907) 267-5546 FAX

Main Office
301 W. Northern Lights Boulevard
Anchorage, AK 99503
Manager: Dan Keyes
(907) 265-2809
(907) 265-2043 FAX

Minnesota-Benson

Northway Mall

1500 West Benson Boulevard
Anchorage, AK 99515
Manager: Jenny McClure
(907) 257-3200
(907) 257-3218 FAX

3101 Penland Parkway
Anchorage, AK 99508
Manager: Karin Johnson
(907) 263-2590
(907) 263-2546 FAX

Russian Jack
5700 DeBarr Road
Anchorage, AK 99504
Manager: Nancy Gillies
(907) 263-2574
(907) 263-2531 FAX

Sand Lake
6961 Jewel Lake Road
Anchorage, AK 99502
Manager: Launi Lee
(907) 267-5420
(907) 267-5426 FAX

Sears Mall
600 E. Northern Lights Boulevard
Anchorage, AK 99503
Manager: Kathy Hagedorn
(907) 263-2533
(907) 263-2539 FAX

Spenard
2709 Spenard Road
Anchorage, AK 99509
Manager: Amy Penrose
(907) 263-2541
(907) 265-2023 FAX

FAIRBANKS

Bentley
34 College Road
Fairbanks, AK 99701
Manager: Jami Spears
(907) 459-4363
(907) 459-4366 FAX

College
794 University Avenue
Fairbanks, AK 99707
Manager: Vicki Kennebec
(907) 474-4133
(907) 474-4130 FAX

Cushman
613 Cushman Road
Fairbanks, AK 99701
Manager: Debbie Kimmell
(907) 459-4318
(907) 459-4346 FAX

Gaffney
620 Gaffney Road
Fairbanks, AK 99706
Manager: Robin Ridington
(907) 459-4373
(907) 459-4344 FAX

North Pole
381 Santa Claus Lane South
North Pole, AK 99705
Manager: Oscar Calvillo
(907) 488-7507
(907) 488-5678 FAX

OTHER BRANCHES

Barrow
1078 Kiogak Street
Barrow, AK 99723
Manager: Joe Everhart
(907) 852-6200
(907) 852-3426 FAX

Bethel
Bethel Native Corporation Building
460 Ridgecrest
Bethel, AK 99559
Manager: Heath Cox
(907) 543-3875
(907) 543-2125 FAX

Cordova
515 Main Street
Cordova, AK 99574
Manager: Jon Stavig
(907) 424-3258
(907) 424-5758 FAX

Cottonwood Creek Mall
1701 Parks Highway
Wasilla, AK 99654
Manager: Michelle Rodekohr
(907) 376-6797
(907) 373-0252 FAX

Delta
Mile 166, Richardson Highway
Delta Junction, AK 99737
Manager: Dave Durham
(907) 895-4691
(907) 895-1927 FAX

Dillingham
512 Seward Street
Dillingham, AK 99576
Manager: Julie Woodworth
(907) 842-5284
(907) 842-2450 FAX

Eagle River
16600 Centerfield Drive
Eagle River, AK 99577
Manager: Mark Underwood
(967) 694-3129
(907) 694-1435 FAX

Glacier Valley
9150 Glacier Highway
Juneau, AK 99801
Manager: Deborah Zenger
(907) 789-9550
(907) 789-4220 FAX

Glennallen
Mile 187.5 Glenn Highway
Glennallen, AK 99588
Manager: Ken Olmstead
(907) 822-3214

Homer
203 W. Pioneer Avenue
Homer, AK 99603
Manager: John Hoyt
(907) 235-8151

(907) 822-3288 FAX

(907) 235-6181 FAX

Juneau
123 Seward Street
Juneau, AK 99801
Manager: Roy Kyle
(907) 586-3324
(907) 463-3997 FAX

Kenai
11216 Kenai Spur Highway
Kenai, AK 99611
Manager: Ron Linegar
(907) 283-7581
(907) 283-4082 FAX

Ketchikan
306 Main Street
Ketchikan, AK 99901
Manager: John Scoblic
(907) 225-2184
(907) 225-1022 FAX

King Salmon
#1 King Salmon Mall
Alaska Peninsula Highway
King Salmon, AK 99613
Manager: Charles Munk
(907) 246-3306
(907) 246-3027 FAX

Kodiak
202 Marine Way
Kodiak, AK 99615
Manager: Jim Brenner
(907) 486-3126
(907) 486-5879 FAX

Kotzebue
Lagoon Street and Second
Kotzebue, AK 99752
Manager: Alex Navarro
(907) 442-3257
(907) 442-2157 FAX

Lake Street Branch
401 4 Lake Street, Ste. 100
Homer, AK 99603-7682
Supervisor: Mary Covey
(907) 235-2444
(907) 235-5272 FAX

Metlakatla
Milton Street
Metlakatla, AK 99926
Manager: Charlene Brendible
(907) 886-6363
(907) 886-5063 FAX

Lemon Creek Branch
1610 Anka Street
Juneau, AK 99801
Manager: Natasha Von Imhof
(907) 780-5299
(907) 780-6227

Nome
250 E. Front Street
Nome, AK 99762
Manager: Mitch Erickson
(907) 443-2223
(907) 443-2742 FAX

Mill Bay Branch
2645 Mill Bay Road
Kodiak, AK 99615
Manager: Josie Barber
(907) 486-6900
(907) 486-2586 FAX

Petersburg
201 N. Nordic Drive
Petersburg, AK 99833
Manager: Bond Stewart
(907) 772-3833
(907) 772-4881 FAX

Palmer
705 South Bailey
Palmer, AK 99645
Manager: Taka Tsukada
(907) 745-2161
(907) 745-6059 FAX

Seattle
One Union Square
600 University Street, #3420
Seattle, WA 98101
Manager: Fred Richard
(206) 621-9464
(206) 622-9488 FAX

Prince of Wales
1330 Craig Klawock Highway
Craig, AK 99921
Manager: Sean Riggon
(907) 826-3040
(907) 826-3044 FAX

Shoreline
4966 N. Tongass Highway
Ketchikan, AK 99901
Manager: Pierre Kaptanian
(907) 247-7878
(907) 225-6868 FAX

Seward
908 Third Avenue
Seward, AK 99664
Manager: Lori Draper
(907) 224-5283
(907) 224-3711 FAX

Skagway
6th & Broadway
Skagway, AK 99840
Manager: Kelly Roper
(907) 983-2265
(907) 983-2128 FAX

Sitka
300 Lincoln Street
Sitka, AK 99835
Manager: Greg West
(907) 747-3226
(907) 747-8081 FAX

Tongass
2415 Tongass Avenue
Ketchikan, AK 99901
Manager: Lori Freeman-Konoske
(907) 225-4141
(907) 225-0218 FAX

Soldotna
44552 Sterling Highway
Soldotna, AK 99669
Manager: Kurt Eriksson

Wasilla
581 W. Parks Highway
Wasilla, AK 99654
Manager: Annette Olejniczal

(907) 262-4435
(907) 262-5114 FAX

(907) 376-5355
(907) 376-0298

Valdez
337 Egan Drive
Valdez, AK 99686
Manager: Jacquelyn Robb
(907) 835-4745
(907) 835-5762 FAX

Wrangell
115 Front Street
Wrangell, AK 99929
Manager: Tom Saville
(907) 874-3341
(907) 874-3294 FAX

OTHER LOCATIONS

Southeast Mortgage
9211 Lee Smith Drive
Juneau, AK 99803
Manager: Karen King
(907) 789-7071
(907) 789-7552 FAX

Northland Credit (3174)
3030 Denali Street
Anchorage, AK 99503
Manager: John Higgins
(907) 562-0266
(907) 562-2150 FAX

Northland Credit (3174)
201 Old Steese Highway, Suite 1
Fairbanks, AK 99701
Manager: Jim Carter
(907) 456-5263
(907) 456-3677 FAX

Northland Credit (Dial-in Email)
1700 E. Parks Highway, Suite 100
Wasilla, AK 99654
Manager: Larry Timmons
(907) 376-7600
(907) 376-7557 FAX

Northland Credit (Dial-in Email)
2092 Jordan Avenue, Suite 5
Juneau, AK 99801
Manager:
(907) 789-9493
(907) 789-3155 FAX

Northland Mortgage (Dial-in Email)
2605 Denali Street
Anchorage, AK 99503
Manager: Don Shepherd
(907) 274-5150
(907) 277-4081 FAX

Northland Mortgage (Dial-in Email)
16331 Heritage Place, #100
Eagle River, AK 99577
Manager: Trish Kastner
(907) 694-7872
(907) 694-7292 FAX

Northland Mortgage (Dial-in Email)
522 Third Street
Fairbanks, AK 99701
Manager: Liz Rhow
(907) 452-5007
(907) 452-6005 FAX

Northland Mortgage (Dial-in Email)
701 S. Bailey, Suite 200
Palmer, AK 99645
Manager: Annie Davenport
(907) 746-7821
(907) 746-7825 FAX

Northland Mortgage (Dial-in Email)
951 E. Bogard Road, Suite 101
Wasilla, AK 99701
Manager: Lynn Berry
(907) 376-2308
(907) 376-0206 FAX

Kenai Peninsula Mortgage Loans
35551 Kenai Spur Highway
Soldotna, AK 99669-7625
Manager: Darby Hobson
(907) 262-3940
(907) 262-4087

SCHEDULE 6: AGENCY LETTER

1 November 1996

Richard A. Whitney
Director, Business Development
General Communication, Inc. (GCI)
2550 Denali St., Suite 1000
Anchorage, Alaska 99503

SUBJECT: TELECOMMUNICATIONS LETTER OF AGENCY

Dear Richard:

National Bank of Alaska (NBA) hereby appoints GCI as its agent for the limited purpose of ordering, implementing and maintaining telecommunications services provided by any contractor, local exchange carrier, interexchange carrier, or enhanced/alternate service provider as may be necessary for GCI to manage/provide telecommunications services to NBA.

This agency relationship shall remain in effect until modified or revoked by NBA

in writing. When GCI acts as agent, GCI is responsible, on behalf of NBA, for all such charges, including without limitation monthly charges, usage charges, installation charges, or applicable termination charges of the providers of telecommunications facilities, whether these charges are arranged to be billed directly to NBA or to GCI.

Neither NBA nor GCI shall be precluded by this appointment from dealing with carriers or providers in arranging for telecommunications services or connections to other equipment separate from those associated with this agreement.

Sincerely,

Gary Dalton
Executive Vice President/CFO
National Bank of Alaska
P.O. Box 100600
Anchorage, Alaska 99510-0600
GD:

SCHEDULE 7: CONFIDENTIALITY LETTER

1 November 1996

Gary Dalton
Executive Vice President/CFO
National Bank of Alaska
P.O. Box 100600
Anchorage, Alaska 99510-0600

SUBJECT: CONFIDENTIALITY OF INFORMATION

Dear Gary:

During the past year and throughout all of our contract negotiations, we have discussed many aspects of the business and operations of our companies. Certain information disclosed is confidential and has consistently been considered and treated by each of us as trade secrets. I refer particularly to information regarding customers, pricing policies, contract structure/methodology, certain telecommunications service equipment, product/service/network development and general business practices associated with our outsourcing business. This information was disclosed for use solely in connection with developing and operating a strategic business relationship between our companies consistent with our Framework Agreement.

I am writing to confirm the understanding which we reached and documented in our Framework Agreement that all involved employees and agents of both companies will not disclose, use for their own benefit, or otherwise appropriate such trade secrets or confidential information, except internally to the extent necessary to conduct our joint business.

If I have correctly expressed our understandings, please sign and date this letter.

General Communication, Inc.

National Bank of Alaska

Richard A. Whitney, Director
Business Development

Gary Dalton
Executive Vice President/CFO

Dated: _____

Dated: _____

SCHEDULE 8: LONG TERM CONTRACTS

CONTRACT OWNER	CONTRACT START DATE	CONTRACT TERM OR DEPRECIATION	DESCRIPTION	AMOUNT
GCI	1/1/96	5 years	Newbridge Multiplexer Equipment	\$179,645

SCHEDULE 9: 1997 LABOR RATES

1. STANDARD LABOR & BENEFIT RATES

1.1 DEFINITION. Standardization of labor and benefit rates has been agreed in order to simplify invoicing and open book audit processes for the duration of this Call-Off Contract. Five position categories have been identified Administrative, Technician, Analyst, Engineer and Manager. All labor billable to NBA as Direct Costs will be provided by a GCI employee associated with one of the above categories. Each position category will have unique labor and benefit rates.

1.2 METHODOLOGY. Labor rates were established based via an analysis of all labor provided during a 10 month period ending October, 1996. Each employee providing service to NBA during this period was placed into one of the five identified position categories. Actual hourly labor rates for each employee within a category was determined and the average hourly rate calculated as the position category labor rate. The numbers below reflect these rates plus an increase of 1.5% for mid-year wage increases.

A benefit analysis was conducted to determine allocations of GCI's allowable benefits. The position category labor rate was subsequently considered in order to arrive at a unique benefit rate for each position category.

Table 11.1 shows approved labor and benefit rates for 1997.

POSITION CATEGORY	LABOR RATE	BENEFIT RATE
Administrative	\$13.55	32%
Technician	\$17.20	28%
Analyst	\$27.30	22%
Engineer	\$29.95	21%
Manager	\$45.40	16%

SCHEDULE 10: ADDITIONAL TERMS & CONDITIONS

Pursuant to discussions between NBA and GCI during development of the 1997 Call-Off Contract, agreement to amend Section 40, "Remedies" of the approved Framework Agreement was reached. This section is amended as follows:

40.2 Should the Contractor fail to meet stated Service Levels either through failure to resolve a catastrophic Service outage within 48 hours or through failure to resolve chronic and business impacting Service problems within 60 days, NBA may at its discretion instruct the Contractor to bring in re-allocated NBA personnel or agreed-upon external resources in order to resolve the outage or chronic problem. Following resolution of the outage or chronic problem, NBA and the Contractor will convene a post-project review to establish actual cause of the outage or problem, revise necessary process, and recommend changes. Should the outage or problem be judged to be due to a Contractor deficiency, the Contractor will bear the costs associated with the re-allocated NBA personnel or agreed-upon external resources in accordance with the terms of this Section. Should the outage or problem be judged to be due to some other deficiency, NBA will bear the costs associated with the re-allocated NBA personnel or agreed-upon external resources.

SCHEDULE 11: OUT-OF-SCOPE PROJECTS

<TABLE>

PROJECT TITLE	ESTIMATED COST	ESTIMATED START	EXPLANATION
<S>	<C>	<C>	<C>
Re-locate Homer branch	\$ 8,500	97Q2	This is a change, not a new addition
Re-location of ATM's	\$15,000	97Q1	These are re-locations, not additions; significant re-location which impacts wide area transport will increase cost estimates
Token Ring implementation	\$26,000	96Q4 - 97Q1	Implementation of Token Ring switches
Home Banking study	\$ 5,000		
Disaster Recovery	\$50,000	97Q2	Include Anchorage operational area only

</TABLE>

OUT-OF-SCOPE PROJECT METHODOLOGY

1. The estimated costs shown in the above table are not committed costs.
2. Upon request for initiation by NBA, a business case/project plan will be assembled, presented and approved by NBA prior to beginning any actual work.
3. All project invoices will be tracked and managed throughout the life of any project. Reporting of project financial standing will be available upon demand.
4. Commercial terms for projects will be determined on a project-by-project basis. Options for terms include but are not limited to: a) cost plus, b) not-to-exceed, and c) fixed price with Risk/Reward incentives.
5. Additional projects may be requested by NBA during 1997.

TELECOMMUNICATIONS SERVICES

THIS AGREEMENT, effective the 1 day of April, 1992 regardless of the date actually signed by the parties, is between BP EXPLORATION (ALASKA) INC., hereinafter referred to as "Operator", and GCI NETWORK SYSTEMS, hereinafter referred to as "Contractor".

WHEREAS, BP Exploration (Alaska) Inc. is the Operator of the Endicott Development Area and Unit Operator of the Western Operating Area of the Prudhoe Bay Unit on the North Slope of Alaska, and is also engaged independently in the continuing exploration of oil and gas on the North Slope of Alaska, and in the Beaufort Sea areas with support facilities in Anchorage, Alaska; and in those capacities has need for an independent contractor to perform certain services in support of its drilling, production and exploration operations; and,

WHEREAS, Contractor has held itself out to be ready, willing and able to perform such services;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties hereto mutually agree as follows:

I. STATEMENT OF WORK

Operator requires the services of an independent contractor to operate and maintain its telecommunication functions in the Anchorage Headquarters building and other locations within the State of Alaska. It is agreed that in connection with services per ATTACHMENT 6, Scope of Work, that Operator and Contractor shall work very closely together in the spirit of trust and cooperation towards achieving continual improvement in the Telecommunication Services by effective business management, project management and full exchange of relevant information (e.g., costs, engineering, etc.).

Each of the parties hereto undertakes to do all things reasonably within its power which are necessary to give effect to the spirit and intent of this Contract and, in particular, neither party shall act unreasonably or without giving due regard to the representations of the other party when reaching any decision as to the giving or withholding of consent or approval, or when exercising any other discretion pursuant to this Contract.

In the performance of the Contract, Operator will, subject to business confidentiality, freely disclose to the Contractor its activities, engineering program, technical requirements and cost information and the Contractor will freely disclose to Operator all information on its resources, abilities and costs incurred in the provision of the Services.

0935/2-S2

Contract No. 92MR067A
4/1/92

Both parties will work together to ensure that for the benefit of the Operator, sound engineering standards are achieved and maintained in the most time and cost effective manner, and to ensure that for the benefit of the Contractor, Operator provided, inasmuch as it is able, a good flow of work paid for at fair rates.

Both parties will co-operate to ensure that available resources are used in the most cost effective manner and to establish jointly operated systems which fulfill the respective business and technical needs of each party without duplication of effort.

To enable the achievement of the objectives described above, Operator and Contractor shall jointly establish a Review Board which shall ensure that all decisions and actions which relate to the Services fully recognize the interests of both parties hereto their respective obligations and areas of expertise.

Notwithstanding the foregoing and for the avoidance of doubt, the following principles shall apply with respect to this Contract:

1. Operator shall be ultimately responsible for determining the quality strategy and standards with which the Contractor will be required to

comply.

2. The contractor shall be ultimately responsible for the management and technical supervision of the performance of the services.
3. Where Operator's staff are integrated into the Contractor's team of dedicated Personnel, they shall work under the technical management of the Contractor who shall be responsible for ensuring that all work under such management meets the necessary technical quality standards.
4. Operator shall be ultimately responsible for determining the Services which the Contractor is required to perform.
5. Whilst it is Operator's intention that the Contractor shall undertake as much of the Telecommunications Management as possible, this Contract has no commitment value with respect to the amount of Services which Operator will require the Contractor to perform, save as may be established by the issue of associated Work Releases.

Furthermore, this Contract is non-exclusive and Operator reserves the right to enter into contracts with other parties to perform similar services: Operator shall however inform the Contractor of its reasons for awarding such work to other contractors.

0935/2-S2

-2-

Contract No. 92MR067A
4/1/92

6. Subject to availability and to business confidentiality, Operator will provide sufficient information to the Contractor with respect to its long term and short term plans, to enable the Contractor to properly control the resourcing of staff.
7. The Contractor shall project and enhance Operator's image and culture as well as its own in any exposure to third parties relating to the services.
8. Following consultation between the parties hereto, all systems required for the satisfactory performance of the Services shall be established to provide such management information as may be required by Operator.
9. This Contract shall begin with transition from Operator to Contractor personnel position by position. Review of transition shall begin three (3) months after the start of the Contract with periodic review as additional positions are transitioned.

II. COMPENSATION

As total consideration for all work performed and/or services rendered hereunder, Contractor agrees to invoice Operator and Operator agrees to pay Contractor in accordance with the following:

1. COMPENSATION SCHEDULE - ATTACHMENT 8
2. LIMITATION OF COST

Nothing in this Agreement shall obligate Contractor to take any action which will cause the amount for which Operator will be obligated hereunder to exceed the sum of \$6,760,000.00 and Operator shall not be obligated to pay Contractor on account of any services furnished hereunder any amount in excess of such sum provided, however, that this sum may be increased by Operator solely at its discretion by amending this Agreement.

3. INVOICING AND PAYMENTS

a. INVOICING

- (1) Within the first ten (10) days of each month, or as soon as practicable, but not later than thirty (30) days thereafter, Contractor will submit a separate invoice, in original and one (1) duplicate, to Operator for each operating location (i.e. Anchorage, Prudhoe Bay

0935/2-S2

-3-

Contract No. 92MR067A
4/1/92

or Endicott) where work is accomplished and/or services are performed, supported by such documentation as Operator may reasonably require setting out Contractor's charges for services rendered during the previous month.

- (2) Contractor agrees that invoices submitted to Operator related to this Agreement shall bear this Contract Number and the name of the operating location and that at all times hereafter no more than one agreement no more than one operating location shall be billed on any single invoice submitted.
- (3) Contractor shall number invoices serially and submit the original to:

BP Exploration (Alaska) Inc.
Accounts Payable
P.O. Box 196611
Anchorage, Alaska 99519-6611

or (PBU)

BP Exploration (Alaska) Inc.
PBU North Slope Accounting
PBU eoc
P.O. Box 196612
Anchorage, Alaska 99519-6612

or (Endicott)

BP Exploration (Alaska) Inc.
North Slope Accounting
Endicott Accounting
P.O. Box 196612
Anchorage, AK 99519-6612

b. PAYMENTS

Operator will make payments to Contractor against Contractor's invoices within thirty (30) days after they are received within Operator's Accounts Payable Department. However, Operator is entitled to adjust Contractor's invoices for clerical errors or items which are not adequately supported by documentation. Further, Operator reserves the right to deduct from payments due to Contractor any charges paid to third persons by Operator which are to be borne by Contractor under the terms of this Agreement. Payment by Operator of Contractor's invoices shall be without prejudice to

0935/2-S2

-4-

Contract No. 92MR067A
4/1/92

Operator's right to audit Contractor's records and challenge the correctness of the invoices any time thereafter.

c. DISCREPANCY AND FEES

Operator shall notify Contractor on the check stub or by separate letter of any deductions from its invoice. Contractor shall notify Operator within ninety (90) days of payment date of any disputed amount. In the event of notice after said ninety (90) day period, Operator shall charge Contractor \$25/Hour for research.

d. UNPAID INVOICES AND FEES

Contractor shall notify Operator of any invoices billed but not paid within two (2) years of invoice date. In the event of notice after said two (2) year period, Operator shall charge Contractor \$25/Hour for research.

e. FINAL PAYMENT

Prior to submitting an invoice for final payment Contractor shall ensure that all bills for labor, material, resublet work, equipment rental, taxes, insurance and all other charges arising in the performance of work hereunder have been fully paid by or for Contractor.

Acceptance by Contractor of final payment from Operator shall constitute an unconditional and complete release in full satisfaction of all claims by Contractor against Operator, notwithstanding any other provisions to the contrary contained in this Agreement.

III. TERM OF AGREEMENT

1. TERM

The term of this Agreement shall commence on the effective date specified above and shall continue through March 31, 1997 unless

extended or terminated earlier in accordance with other provisions of this Agreement.

2. OPTION TO EXTEND SERVICES

Operator may require Contractor to continue to perform the services within the limits of this Agreement. Extensions shall be in 30-day increments, not to exceed three (3) such extensions, or 90 days. Operator may exercise this option at any time within the term of this Agreement by giving written notice to Contractor and

0935/2-S2

-5-

Contract No. 92MR067A
4/1/92

such notice shall be made effective by an amendment to this Agreement. The rates in effect immediately prior to such extension, as set forth in Section 11, shall apply to any extension made pursuant to this option provision.

3. TERMINATION OR CONVENIENCE

Operator may terminate this Agreement, in whole or in part, at any time for any reason whatsoever by giving written notice to Contractor. If this agreement is so terminated, Contractor shall be paid by Operator only for that portion of the services actually performed and for documented expenses incurred by Contractor and authorized by Operator prior to the date of termination. Operator shall not be held liable for any other damages or for loss of anticipated profit on account of such termination. Notwithstanding any partial termination of services, Contractor shall continue to perform and complete any remaining services required. Specifically, the following details the conditions relating to this Contract:

- a. MAINTENANCE OF EXISTENCE - If Contractor shall fail to preserve and keep in full force and effect their respective existences, maintain all material permits, rights and franchises, or comply with all laws, the failure to comply with which would have a materially adverse effect on Contractor's operation, financial condition, property or business.
- b. CHANGE OF OWNERSHIP - If Contractor enters into any merger or consolidation, effects any material change in its capital or ownership structure, sells, lease or otherwise transfer all or substantially all of its assets, or if more than 49% of the outstanding shares of Contractor are sold or transferred to a single entity or controlling group after this Agreement is executed.
- c. FAILURE TO PAY INDEBTEDNESS - If Contractor shall fail to pay all or any portion of any material indebtedness when due, whether by acceleration or otherwise, and such failure shall continue unremedied (and not be waived by the holder of such indebtedness) for a period of fifteen (15) business days after the applicable grace period, if any, specified in the agreement or instrument related to such indebtedness.
- d. INSOLVENCY - If Contractor shall no pay, or admit in writing its inability to pay its debts as they mature or apply for, consent to or acquiesce in, the appointment of a trustee or receiver for Contractor for any part of its property, or Contractor shall authorize any such action; or in the absence of any such application, consent or acquiescence, a trustee or receiver shall be appointed for Contractor or for a substantial part of its and shall not be discharged within a period of sixty (60) days; or any bankruptcy,

0935/2-S2

-6-

Contract No. 92MR067A
4/1/92

reorganization, debt arrangement or other proceeding under any bankruptcy or insolvency law or any dissolution or liquidation proceeding shall be instituted by or against Contractor and if instituted by or against it, shall be consented to or acquiesced in by it or shall be dismissed within a period of sixty (60) days or Contractor's board of directors shall authorize such action.

- e. CESSATION OF OPERATIONS - If contractor shall cease operation for more than thirty (30) consecutive days.
- f. INSECURITY - If reasonable grounds for insecurity arise with respect to the performance of Contractor, Operator may in writing

demand adequate assurance of due performance. An Event of Default occurs if Contractor, after receipt of such justified demand, shall fail to provide within fifteen (15) business days, such assurance of due performance.

- g. CONSEQUENCE OF DEFAULT - If any Event of Default shall occur and continue, for a period of fifteen (15) business days after written notice from Operator to Contractor, Operator may by further written notice to Contractor declare this Agreement terminated.

IV. SPECIAL PROVISIONS

1. TECHNICAL COGNIZANCE

Operator's Technical Representative having cognizance over all work performed under this Agreement, including health, safety and security matters, shall be Kenneth F. Beckley, (907) 564-4223, or his designee.

2. ADMINISTRATIVE COGNIZANCE

All contractual and administrative matters pertaining to this Agreement shall be under the cognizance of Operator's Manager, Contracts, Alaska, or his designee. The following individual is designated for administrative cognizance over this Agreement:

NAME: Martha L. Galbreath
COMPANY: BP Exploration (Alaska) Inc.
ADDRESS: P.O. Box 196612
Anchorage, Alaska 99519-6612
TELEPHONE: (907) 564-5706

0935/2-S2

-7-

Contract No. 92MR067A
4/1/92

NO CHANGES AND/OR DEVIATIONS SHALL BE MADE TO THE PROVISIONS OF THIS AGREEMENT UNLESS AMENDED PURSUANT TO PARAGRAPH V.21.

3. CONTRACTOR'S REPRESENTATIVE

Contractor hereby designates the following individual for the purposes of coordinating all matters relevant to this Agreement and having authority to make binding commitments in the name of Contractor:

NAME: Anthony J. Lewkowski
COMPANY: GCI Network Systems
ADDRESS: 1551 Lore Road
Anchorage, AK 99507
TELEPHONE: (907) 522-1776
FAX: (907) 267-8173

4. MATERIAL SAFETY DATA SHEET

Contractor shall provide material safety data sheet(s) (OSHA Form 20 or equivalent) to Operator prior to locating any toxic or hazardous substance identified in the Alaska Hazard Communication Law, AS 18.60.030 et seq., on Operator's property to Operator's representative as follows:

BP Exploration (Alaska), Inc.
Attn: Safety Manager (North Slope work)/
Transportation Supervisor (Anchorage work)
P. O. Box 196612
Anchorage, Alaska 99519-6612

Contractor is responsible for ensuring that its employees receive training as required by the Alaska Hazard Communication Law. Contractor shall ensure that any hazardous substance, as identified under the Alaska Hazard Communication Law, supplied by Contractor for work at Operator's facilities is properly labeled in accordance with that statute.

5. CONTRACTOR'S INSURANCE

Contractor shall, at its sole expense, secure and maintain insurance in strict accordance with the provisions set forth in ATTACHMENT 2, Standard Insurance Requirements, attached hereto and made a part hereof.

6. NOTICES

0935/2-S2

-8-

Contract No. 92MR067A
4/1/92

a. NOTICE ADDRESSES

All notices will be addressed to the parties hereto as follows:

OPERATOR

BP Exploration (Alaska) Inc.
Materials Management Department
Manager, Contracts, Alaska
P.O. Box 196612
Anchorage, Alaska 99519-6612

CONTRACTOR

Anthony J. Lewkowski
GCI Network Systems
1551 Lore Road
Anchorage, AK 99507

COPY TO:

William C. Behnke
GCI Network Systems
1551 Lore Road
Anchorage, AK 99507

b. SENDING NOTICES

All notices, requests, and/or other communications provided for or permitted to be given by any party hereunder shall be done in writing for delivery in person or by mail, telegraph, facsimile, or telex, properly addressed to each party to whom given, with postage and charges prepaid. A notice shall be deemed given only when received by the party to whom such notice is directed, except that any notice given by registered or certified mail, or by telex, facsimile, or telegraph, shall be deemed given to and received by the party to whom directed within twenty-four (24) hours after such notice is filed with an operating U. S. Post Office, telegraph or telex company (as applicable), or when actually received, whichever first occurs.

7. UTILIZATION OF ALASKAN/NATIVE RESIDENT LABOR

0935/2-S2

-9-

Contract No. 92MR067A
4/1/92

Operator is committed to the use of qualified local Alaskan residents, Alaskan native residents whenever possible. Therefore, Contractor shall make every reasonable effort to recruit and employ Alaskan & Alaskan native residents labor in performance of work under this Agreement.

For the purposes of this Agreement, the term "Alaskan Resident" shall mean a person whose permanent residence is in the State of Alaska.

Contractor shall make every reasonable effort to recruit, employ and train, where applicable, those Alaskan & Alaskan native residents required to comply with the goals set forth in its "Alaskan/ Alaskan Native Resident Utilization Plan", which is incorporated into this Agreement and made a part hereof by reference. As part of its Plan, Contractor has established a goal of:

100% Alaskan Residents
--- (As a percentage of total workforce)

0% Alaskan Native Residents
--- (As a percentage of total workforce)

0% North Slope Borough Residents
--- (As a percentage of total workforce)

Contractor shall maintain those records necessary to assure accurate accounting of the manpower utilized to perform work under this Agreement. Further, Contractor shall prepare and submit monthly a report of such Alaskan & Alaskan native resident labor to Operator. This report will be submitted, in the format specified in ATTACHMENT 4, to Operator's cognizant Administrative Representative set forth

in this Agreement, with a copy to Operator's Technical Representative, by no later than the tenth (10th) working day of each month reflecting the actual manpower utilization for the previous month. As part of this report Contractor shall prepare a narrative explanation of each incidence where the stated utilization goals are not met and the specific actions to be taken by Contractor to rectify the situation.

Contractor shall incorporate similar requirements in all solicitations for quotes and/or proposals and all subcontracts and/or orders for services in support of this Agreement. Contractor shall include subcontractor reports in its monthly report submittals.

All records, relative to Plan implementation and accomplishment of both Contractor and its subcontractors, are subject to the audit provisions of this Agreement.

0935/2-S2

-10-

Contract No. 92MR067A
4/1/92

8. OPTIONAL RIGHTS OF OPERATOR IN EVENT OF DEFAULT BY CONTRACTOR

In the event Operator is dissatisfied with the performance of Contractor hereunder on account of unreasonably poor performance or incompetency or other reason as a result of causes reasonably within Contractors control, Operator shall specify in writing the cause of dissatisfaction pursuant to Paragraph V.23., Termination for Material Breach. Should Contractor fail or refuse to remedy matters complained of within the period as Operator may specify in such written notice, Operator shall have the right in an emergency (as determined by Operators Technical Representative at his sole discretion) to take over all or part of the operation of Contractor's equipment and/or its maintenance facilities either or both of which Operator may operate with its own personnel or through another contractor. Should such operations be taken over as aforesaid by Operator, the cost of the operations conducted by Operator, excluding charges to Contractor for the use of the tools, machinery and appliances of Contractor, shall be deducted from payments otherwise due to Contractor hereunder, and the balance, if any, shall be paid to Contractor. Operator shall return such tools, machinery and appliances to Contractor when the operations are completed in as good condition as when taken over by Operator, normal wear and tear excepted.

Where, in Operator's reasonable opinion, Contractor's equipment is supplied or otherwise made available for use in an incomplete, unusable, or unsafe condition, Operator shall have the right to refuse said equipment and not tender payment therefor until such equipment is made complete, usable and in safe condition. Operator shall owe Contractor nothing for any time which the equipment is so deemed incomplete, unusable, or unsafe and any such time will accrue against the guaranteed minimum number of hours for such equipment.

In the event of any material breach, by Contractor, of the terms and conditions hereof, under the circumstances set out in this Paragraph IV.8., Operator may, if Contractor does not rectify such breach within the specified period (Reference Paragraph V.23.), terminate this Agreement immediately, in which event Contractor shall immediately and at its own expense remove from Operator's land all equipment, materials, supplies, and personnel. From the date of such termination, no charges shall accrue in favor of Contractor and in no event shall demobilization fees be payable to Contractor. All guaranteed minimum hours shall be reduced directly proportional to the resultant term of the Agreement.

9. HEALTH, SAFETY AND SECURITY PROCEDURES

Contractor shall comply with the requirements and procedures as set forth in ATTACHMENT 5; Health, Safety and Security Procedures, attached hereto and made a part hereof.

0935/2-S2

-11-

Contract No. 92MR067A
4/1/92

V. STANDARD TERMS AND CONDITIONS

1. DEFINITIONS

a. "Operator" shall mean BP Exploration (Alaska) Inc. and, where

the context so admits, shall include its employees and agents.

- b. "Contractor" shall mean that company or entity set forth and named in the preamble to this Agreement and, where the context so admits, shall include its employees, agents and subcontractors.
- c. The words "this Agreement", "herein", "hereof", "hereunder", and words of similar import shall refer to this Agreement as a whole.
- d. "Affiliate" shall mean any corporation that controls, is controlled by, or is under common control with a party. The word "control" shall mean the ownership, directly or indirectly, of fifty percent (50%) or more of the securities of a corporation having the right to vote for directors of such corporation.
- e. "Working Interest Owners" shall mean those individuals and corporations set forth in ATTACHMENT 1 hereto.
- f. "Days", when referring to notice requirements or either party's obligations herein, shall mean calendar days unless expressly stated otherwise.
- g. Services shall mean the various work and services to be provided for the Contractor under this Agreement.

2. CHANCES

Operator, within the general scope of this Agreement, may at any time by written notice to Contractor from Operator's Administrative Representative, issue additional instructions, require additional services or direct the deletion of services covered by this Agreement. In such event, there may be made an equitable adjustment in price and time of performance, but any claim for such an equitable adjustment must be made in writing within thirty (30) days of receipt of said written notice. No adjustment in price and/or time of performance shall be recognized unless such adjustment takes the form of an amendment to this Agreement. Notwithstanding the necessity of such an amendment, Contractor shall perform all services required herein and as modified pursuant to this paragraph.

0935/2-S2

-12-

Contract No. 92MR067A
4/1/92

3. STANDARDS

All services provided hereunder shall be performed by employees of Contractor who are experienced and highly skilled in their craft or profession and in accordance with the highest standards of workmanship of their craft or profession.

4. ACCESS TO LOCATION

Operator shall secure for Contractor rights of access to the land on which the work covered by this Agreement is to be performed, if such land is not held by Contractor. Operator shall advise Contractor of any limitations or restrictions affecting access and of Operator's rules for vehicle movement. Contractor shall abide by all such limitations or restrictions. Should Contractor be denied free access to such site for any reason within Contractor's control, time lost by such denial shall not be charged to Operator.

5. INDEPENDENT CONTRACTOR RELATIONSHIP

Contractor shall be an independent contractor with respect to performance of all work hereunder and neither Contractor nor any party employed by Contractor nor any of Contractor's subcontractors shall be deemed for any purpose to be an employee, agent, servant or representative of Operator in the performance of any work or service hereunder. Operator shall have no direction or control over Contractor, its employees, agents or subcontractors except in the results to be obtained. However, the work contemplated hereby shall meet the approval of Operator and Operator shall have unlimited site access to determine whether work is being performed by Contractor in accordance with this Agreement.

6. CONTRACTOR SITE RESPONSIBILITY

Contractor, before starting work, shall make a thorough inspection of the work site to determine the difficulties and hazards incident to the performance of the work. Contractor shall provide continuous adequate protection of the work site, Operator's property and adjacent property, and take all necessary precautions

for the safety of all persons and employees on the work site, including employees of Operator, and comply and cause Contractor's employees and agents and others entering on Operator's premises in the performance of the work or in connection therewith to comply with all safety rules of Operator and applicable provisions of federal, state or local safety laws, rules or regulations necessary to prevent damage or injury to any and all property and persons.

0935/2-S2

-13-

Contract No. 92MR067A
4/1/92

7. INSPECTION BY OPERATOR

Operator shall have the right to inspect and/or review all work in progress being provided under this Agreement at any time and to review the qualifications of any personnel provided under this Agreement, to insure that no deficiencies exist therein.

8. INDEMNITY PROVISIONS

a. INDEMNITY

Except as provided in Paragraph V.19.a., Contractor will, irrespective of any provisions herein pertaining to insurance, indemnify, protect, defend, save, and hold Operator and its affiliates, officers, directors, employees, agents and Working Interest Owners harmless from and against any and all losses, claims, suits, and judgments arising by reason of any acts of commission or omission done, caused or authorized by any person, including acts of passive or active negligence, arising out of or otherwise pertaining to this Agreement, to the maximum extent permitted by law, except if such losses, claims, suits or judgments directly result solely from Operator's gross negligence or willful misconduct.

b. OPERATOR'S NORTH SLOPE CLINIC

In connection with the use of Operator's North Slope Clinic (procedures for such are included herein by attachment) by Contractor, its employees, agents, servants and/or subcontractors, Contractor will, irrespective of any provisions herein pertaining to insurance, indemnify, protect, save and hold Operator harmless from and against any and all losses, claims, suits and judgments arising by reason of any acts of commission or omission done, caused or authorized by any person, including acts of passive or active negligence. Further, when in the sole discretion of Operator it is necessary to medevac one or more of Contractor's employees, agents, servants or subcontractors, Contractor will assume responsibility for the cost of such medevac services and will render payment directly to the invoicing third party who has provided such services thereby relieving Operator of any and all obligations with respect to said services.

c. LIENS

Without in any way limiting the foregoing, Contractor will indemnify, protect, save, and hold Operator and its property harmless, free and clear of any liens, claims, assessments, fines, levies and/or stop notices based on

0935/2-S2

-14-

Contract No. 92MR067A
4/1/92

Contractor's labor asserted by any party and/or other liens based on overdue or other deficient handling of charges for labor, equipment and/or materials, provided that such is not the result of Operator's failure or refusal to perform any of its obligations hereunder. Operator may, if it so elects, pay and discharge any liens or overdue charges for Contractor's labor, equipment and/or materials under or in conjunction with this Agreement and may thereupon deduct the amount or amounts so paid by Operator from sums due or which thereafter become due to Contractor hereunder. Before payments are made by Operator to Contractor, Operator may require Contractor to furnish proof that there are no unsatisfied claims for labor, materials, facilities, equipment and/or supplies and that all insurance coverages required by this Agreement were in full force and effect during the period Contractor rendered services pursuant to this Agreement.

d. PATENTS AND LICENSES

In addition to the indemnity provisions above, Contractor represents and warrants that the use or construction of any and all tools and equipment furnished by itself and used in the work performed hereunder does not infringe on any license or patent which has been issued or applied for, and Contractor agrees to indemnify and hold Operator and its affiliates, officers, directors, employees, agents, and Working Interest Owners harmless from any and all claims, demands, and causes of action of every kind and character, in favor of or made by any patentee, licensee or claimant of any right or priority to any such tool or equipment, or the use or construction thereof or intellectual property of any sort, which may result from or arise out of the furnishing or use of any such tool or equipment by Contractor in connection with the work performed under this Agreement.

e. ATTORNEY'S FEES AND LEGAL COSTS

Contractor agrees to reimburse Operator for any and all necessary expenses, attorney's fees, and costs incurred in the non-judicial or judicial enforcement of any part of any of the indemnity agreements provided for herein,

f. OPERATOR FURNISHED VEHICLES

From time to time during the term of this Agreement Operator may provide vehicles to Contractor for use under this Agreement. Whenever such a vehicle is in the possession and control of Contractor, Contractor shall be responsible for any and all injury to or death of any and all persons and/or damage to or loss of property, including damage to or loss of the vehicle

0935/2-S2

-15-

Contract No. 92MR067A
4/1/92

itself, and agrees to indemnify and hold Operator and its affiliates, officers, directors, employees, agents, and Working Interest Owners harmless from the same. When Contractor is in possession of such a vehicle, all insurances as required elsewhere in this Agreement will be primary to any insurance carried by Operator.

9. TAX LIABILITIES AND CLAIMS

- a. Contractor agrees to defend, indemnify, and hold, Operator and its affiliates, officers, directors, employees, agents and Working Interest Owners, jointly and severally, harmless from and against any and all liability for the payment of Contractors legally due contributions or taxes for unemployment insurance, old age retirement benefits, pensions, annuities, and wage, income, business and occupation taxes, now or hereafter imposed by the Government of the United States or any state or political subdivision thereof, however measured.
- b. Contractor agrees to be responsible for and shall indemnify and hold Operator and its affiliates, officers, directors, employees, agents and Working Interest Owners, jointly and severally, harmless from any liability for any legally due sales, use, contract, ad valorem, or other taxes which are imposed upon the performance of this Agreement or the ownership or use of any property employed in the performance of this Agreement.
- c. Any applicable state and local sales taxes shall be collected from third parties by Contractor, but Contractor shall not collect sales taxes from Operator on services performed within the North Slope Borough by Contractor for Operator. It is hereby mutually understood and agreed that Operator has a North Slope Borough Direct Payment Permit (Registration Number 0448), under which Operator will pay directly to the North Slope Borough any sales taxes due based on property or services provided by Contractor to Operator under this Agreement. Contractor agrees not to include any sales taxes for the North Slope Borough in its billings under this Agreement. The Operator shall not in any way become responsible or liable for any sales or use tax imposed by the North Slope Borough upon Contractor or third parties as the result of any transaction between Contractor and third parties. It is further understood and agreed that Contractor is responsible for any and all requirements of the North Slope Borough Sales and Use Tax Ordinance, other than the

aforementioned collection and payment of sales and use taxes due under this Agreement, including but not limited to obtaining a Certificate of Registration.

0935/2-S2

-16-

Contract No. 92MR067A
4/1/92

- d. Contractor agrees to reimburse Operator and its affiliates, officers, directors, employees and agents on demand for all such taxes or governmental charges, state or federal, which Operator and its affiliates, officers, directors, employees and agents may be required or deem it necessary to pay on account of the employees of Contractor or its subcontractors. Contractor agrees to furnish Operator and its affiliates, officers, directors, employees and agents upon request, with the information required to enable it to make any necessary reports to state or federal authorities and to pay such taxes or charges. Operator and its affiliates, officers, directors, employees and agents are authorized at its election to deduct all sums so paid for such taxes and governmental charges from such amounts as may be or become due to Contractor hereunder.

10. LAWS, RULES AND REGULATIONS

- a. Contractor shall comply with all federal, state and municipal laws, rules and regulations which are now or may become applicable to operations covered by this Agreement or arising out of the performance of such operations, and shall comply, but not by way of limitation, with the Occupational Safety and Health Act of 1970 and will ensure that its employees, servants, agents and subcontractors observe and comply with such laws, rules, regulations and procedures and do not engage in activities objectionable to local or governmental authorities. Contractor will at its own expense replace any of its employees, servants, agents or subcontractors (1) whose conduct or behavior may be reasonably considered by Operator to be inimical to the maintenance of harmonious relations between Operator and such authorities or (2) whom Operator may consider to be technically incompetent.
- b. If for any reason within the sole control or direction of Contractor a governmental agency determines that Contractor has failed to comply with a valid law, regulation or order of such agency, Contractor shall promptly correct the same to the satisfaction of said agency. If in connection with the foregoing determination of failure of compliance the governmental agency issues an enforceable order to cease operations under this Agreement, Operator shall not be liable for charges of any kind which arise during the period of such cessation of operations.
- c. If for any reason within the joint control or direction of Contractor and Operator a governmental agency makes a determination and issues an order similar to that described in subparagraph b. above, then the charges to Operator which arise during such period of cessation of operations shall be borne equally by Operator and Contractor.

0935/2-S2

-17-

Contract No. 92MR067A
4/1/92

- d. If for any reason within the sole control or direction of Operator a governmental agency makes a determination and issues an order similar to that described in subparagraph b. above, then the charges to Operator which arise during the period of cessation of operations shall be borne by Operator.
- e. In the event of an inspection by a governmental agency, Contractor shall immediately inform Operator's Representative.

11. PERMITS

In connection with Contractor's performance hereunder, Contractor shall be responsible for obtaining any and all permits, licenses, certifications and any other similar authorizations required or which may become required by the Government of the United States or any State or political subdivision thereof except however where laws, rules or regulations expressly require Operator

to obtain the same.

12. LIQUIDATION

If a petition is presented or any effective resolution is passed for the liquidation of or for winding up the affairs of Contractor, or if Contractor is prevented from carrying out all or part of the obligations provided for in this Agreement by reason of any legal or financial difficulties of a similar character, Operator may terminate the Agreement by written notice to Contractor. Such termination shall be effective immediately or as specified by such notice. Such termination shall not waive Contractor's then existing obligations and engagements to perform and Operator will thereafter be under no obligation to Contractor, except to make such payments as Contractor may be entitled to receive up to the time of such termination. If Contractor considers taking advantage of any legislation for the relief of insolvent companies, Contractor shall immediately provide Operator with written notice of the same.

13. FURTHER ASSURANCES

Each party hereto will perform the acts and execute and deliver the documents necessary to give effect to the provisions of this Agreement and, upon request by the other party hereto, shall give assurances necessary to insure the full and complete performance of all the terms of this Agreement.

14. APPLICABLE LAWS

This Agreement and the relationship of the parties hereto will be governed by and interpreted in accordance with the laws of the State of Alaska.

0935/2-S2

-18-

Contract No. 92MR067A
4/1/92

15. RIGHT TO AUDIT

The accounts and books of Contractor and/or its subcontractors, which reasonably relate directly to the performance of obligations or work contemplated by this Agreement, may be audited by Operator at reasonable times and from time to time, not only during the continuance of this Agreement, but for twenty-four (24) months after the date of its termination, or final payment, whichever occurs last. In the event that such audit or audits reveal any error or discrepancy of any nature whatever, such error or discrepancy will be promptly corrected and any amount owing or due to either Operator or Contractor, will be promptly paid by the other party. Operator shall have this right to audit Contractor's accounts and records only after delivery of written notice to Contractor in accordance with the provisions for notices set forth above. Operator shall have the right to make copies of documents audited and such copies shall become the property of Operator. All audit rights of Operator described herein are in addition to, and are not in any way in lieu of, all other rights of Operator in law or in equity.

16. INTERNAL CONTROLS AND RECORDKEEPING

Contractor shall keep full and accurate records and accounts of all its activities in connection with this Agreement, including, without limitation, reasonable substantiation of all expenses incurred, and all property acquired hereunder. Furthermore, Contractor shall cause its affiliated or associated companies and its agents and/or subcontractors to maintain such controls, records and accounts.

Contractor shall maintain a system of internal controls sufficient to provide reasonable assurance that: all transactions related to this Agreement are executed and access to assets is permitted only in accordance with management authorization; transactions are properly recorded in its books and records; and existence of assets is verified at reasonable intervals.

17. CONFIDENTIAL INFORMATION

All information (the "Data") obtained by Contractor in the conduct of operations hereunder will be strictly confidential and proprietary to Operator. Contractor shall not allow any person other than a duly authorized representative of Contractor or Operator, to have access to any of the Data and shall not divulge the same to any third party nor permit any of its officers,

employees, or agents, to do so. Contractor shall take all necessary steps to inform and bind its employees, agents, officers, consultants and subcontractors to the obligations of this paragraph. Contractor shall take all reasonable and necessary precautions to prevent any of Contractor's officers, employees or agents from disclosing any of the Data to any

0935/2-S2

-19-

Contract No. 92MR067A
4/1/92

person other than a duly authorized representative of Contractor or Operator except as may be required for the performance of this Agreement.

18. ASSIGNMENTS

Contractor will not assign this Agreement without the prior written consent of Operator and any assignment made without such consent will be void. Without limiting the foregoing, this Agreement will inure to the benefit of and be binding upon the successors and assigns of the parties hereto and each of them respectively.

19. ENVIRONMENTAL PROTECTION

a. CONTRACTOR RESPONSIBILITY

When performing all obligations hereunder, Contractor shall comply with all specific instructions of Operator with regard to environmental concerns, regardless of whether such instructions are based upon a specific law, regulation or order of any governmental authority. Contractor assumes all responsibility for the proper storage, transportation, handling and disposal of all hazardous waste generated by Contractor as a result of materials supplied by Contractor. Further, Contractor hereby assumes responsibility for all spills of oil, oil base substances and/or hazardous substances which arise out of or otherwise pertain to this Agreement and are attributable to Contractor and with respect to such occurrences, Contractor will indemnify, protect, save and hold Operator and its affiliates, officers, directors, employees, agents, and Working Interest Owners harmless from and against any and all losses, claims, suits and judgments,

b. SPILLS

Contractor shall be aware of and will comply with all state and federal regulations governing oil and hazardous substances and will ensure that any spills are properly handled. Contractor shall immediately notify Operator of any oil and hazardous substance spills as well as action taken, which occur while performing under this Agreement. Copies of written spill reports and reports regarding action taken will be forwarded to Operator's Administrative Representative as soon as they become available.

20. EQUAL OPPORTUNITY

To the extent that this Agreement may be subject to Executive Order 11246, as amended, the equal opportunity provisions (41 CFR 60-1) are incorporated by reference. To the extent required by applicable laws and regulations, this

0935/2-S2

-20-

Contract No. 92MR067A
4/1/92

Agreement also includes and is subject to the affirmative action clauses concerning qualified handicapped individuals, disabled veterans and veterans of the Vietnam Era (41 CFR 60-741.4, 60-250.4 and 61-250) and these affirmative action clauses are incorporated by reference. Contractor agrees that in the performance of this Agreement and in the conduct of all of its operations, it will comply with the requirements of these regulations and orders.

21. AMENDMENTS

Amendments to this Agreement shall be made only in writing, signed by Operator's Administrative Representative identified in Paragraph IV.2. above, and shall be consecutively numbered and attached to this Agreement.

22. WAIVERS

None of the requirements of this Agreement may be waived or amended by either party unless done in writing. Any failure by Operator to enforce or require strict observance of performance by Contractor of any of the terms or conditions hereof shall not constitute a waiver of such terms and conditions, and shall not in any manner impair such terms and conditions or the right of Operator at any time thereafter to require specific performance or to otherwise avail itself of such remedies as it may have as the result of any breach of such terms and conditions by Contractor. Any failure by Contractor to enforce or require strict observance of performance by Operator of any of the terms or conditions hereof, shall not constitute a waiver of such terms and conditions, and shall not in any manner impair such terms and conditions or the right of Contractor at any time thereafter to require specific performance or to otherwise avail itself Of such remedies as it may have as the result of any breach of such terms and conditions by Operator.

23. TERMINATION FOR MATERIAL BREACH

Each party hereto will have the right to terminate this Agreement in the event of a material breach by one party if such breach is not remedied within ten (10) days of the date of the written notice of such from the other party. The right to terminate, in such event, shall be exercised by written notice to the defaulting party with the termination effective immediately or as specified in such notice. No waiver by either party of any default or breach on the part of one party will affect the rights or remedies of either party hereto in the event of subsequent violation or breach. The exercise of any right of termination on the part of either party in the event of a material breach or failure of one party to perform any of its obligations hereunder will not deprive such terminating party of any claims for damages or any other remedies available at law or in equity. In no event will either party be liable to the other for speculative or prospective profits. No termination of this Agreement,

0935/2-S2

-21-

Contract No. 92MR067A
4/1/92

however accomplished, will have any retroactive effect such as forgiving or otherwise diminishing or extinguishing liabilities or payment obligations that have accrued prior to such termination.

24. FORCE MAJEURE

Neither Operator nor Contractor shall be responsible for failure to perform the terms of this Agreement when performance is prevented by force majeure provided that (1) notice and reasonably full particulars are given to the other party and (2) that the cause of such failure or omission is remedied so far as possible with reasonable dispatch. The term force majeure shall mean acts of God, earthquakes, fire, flood, war, civil disturbances, governmentally imposed rules, regulations or moratoriums, or any other cause whatsoever whether similar or dissimilar to the causes herein enumerated, not within the reasonable control of either party which through the exercise of due diligence, a party is unable to foresee or overcome. In no event shall the term force majeure include normal or reasonably foreseeable or reasonably avoidable operational delays.

25. WORK INTERRUPTION

In the event of strike, slow down, "sick-out", or work stoppage for any reason Operator shall have the right to immediately terminate this Agreement by written notice to Contractor. No further action, including compliance with the provisions of Paragraph V.23. of this Agreement, is required of Operator.

26. SUPPLIERS' DISCOUNTS

- a. When, under the terms of this Agreement, Operator has agreed to reimburse Contractor for certain expenses which Contractor will incur from time to time in dealing with its suppliers and subcontractors, then Contractor warrants that, when it receives discounts it shall pay the invoices promptly and will take advantage of all discounts available.
- b. Operator shall reimburse Contractor for all reimbursable expenses only after the suppliers' invoices have been paid by Contractor. Contractor shall send such invoices to Operator with its regular invoice, enclosing documents evidencing that (1) supplier invoices have been paid and (2) the relevant materials and services

invoiced have been received, as certified by Operators Representative. Payments on such charges shall be rendered by Operator in the manner provided above. However, Operator shall receive credit on all such invoices for all discounts available to Contractor, regardless of whether Contractor has taken advantage of such discounts or not.

0935/2-S2

-22-

Contract No. 92MR067A
4/1/92

27. CONFLICT OF INTEREST

Contractor shall exercise reasonable care and diligence to prevent any actions or conditions which could result in a conflict with Operators best interests. This obligation shall apply to the activities of Contractors employees and agents in their relations with Operator's employees, their families, vendors, subcontractors, and third parties arising from this Agreement and accomplishing work hereunder. Contractors efforts shall include, but shall not be limited to, establishing precautions to prevent its employees or agents from making, receiving, providing, or offering gifts, entertainment, payments, loans or other considerations for any purpose whatsoever.

28. SMOKING POLICY

Operator has established a policy to govern the smoking practices of its employees, Contractor's employees, and visitors within Operator's Anchorage Headquarters Building. By accepting this Agreement Contractor agrees that its employees will become familiar with and will abide by Operators policy while in Operator's Anchorage Headquarters Building.

29. ALCOHOL AND DRUG ABUSE

It is the policy of Operator to maintain a work environment free from the influence of alcohol and drug abuse. Accordingly, Operator prohibits the possession, use, distribution or sale of alcohol and/or illicit drugs and controlled substances in the workplace or when conducting business on Operator's behalf, and requires employees and nonemployees to be free from alcohol and/or illicit drugs and controlled substances upon entering Operator's owned, leased, or operated premises (hereinafter referred to as "premises").

By accepting this Agreement Contractor agrees that it will maintain a similar policy regarding its own premises and that it will inform its employees and agents of those policies, including the fact that they will be subject to search by Operator on their persons, and in Operator's work areas, living quarters, vehicles, lockers, and other property while individuals are entering, on, or leaving. Operator's premises. Any alcohol and/or illicit drugs or controlled substances found on Operator's premises will be confiscated. Any incident involving illicit drugs or controlled substances will be brought to the attention of the appropriate law enforcement agency and Operator shall provide its full cooperation in prosecuting such matters. Contractor personnel violating this policy will be immediately removed from Operator's premises by Contractor at Contractor's expense.

0935/2-S2

-23-

Contract No. 92MR067A
4/1/92

Operator's Vice President may, on occasion, by written exception to Operator's policy, provide for the consumption or possession of alcohol on Company property.

30. FIREARMS, TRAPPING, ETC.

The use and/or possession of firearms for any purpose and the use and/or possession of trapping devices or any other device, the primary purpose of which is to take game, and the feeding of North Slope wildlife is hereby prohibited on/or adjacent to Operator's property. In the event of the breach of this provision by Contractor, its employees, suppliers, or subcontractors, such shall be deemed a material breach of this Agreement and Operator shall then have the right to immediately terminate this Agreement by written notice of the same. No further action, including compliance with the provisions of Paragraph V.23. of this Agreement, is required of Operator.

31. PUBLICITY

Contractor shall not release any information for publication or advertising purposes relative to this Agreement or the material, equipment, and/or services furnished under this Agreement or the business relationship between Operator and Contractor without the prior written consent of Operator.

32. PRECEDENCE

In the event of a question of conflict between the provisions of this Agreement and documents issued pursuant hereto, such questions shall be resolved by the following order of precedence, with the highest priority being listed first:

- (1) This Agreement, including Amendments thereto;
- (2) Service Orders and Change Notices thereto;
- (3) Specifications provided by Operator;
- (4) Drawings or other paper or exhibits and attachments and all amendments or revisions to same issued hereunder.

33. SEVERABILITY

Every provision of this Agreement shall be severable. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision.

0935/2-S2

-24-

Contract No. 92MR067A
4/1/92

34. ENTIRETY OF AGREEMENT

This Agreement along with the Attachments hereto represent the entire understanding between the parties as related to the subject matter described herein, and supersedes and replaces any and all oral or written statements or communications regarding the same dated prior to the date of this Agreement.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement in two or more counterparts, any signed copy of which is deemed as an original.

DATED the same day as first above written.

CONTRACTOR

GCI NETWORK SYSTEMS

By: _____

Title: _____

Date: _____

OPERATOR

BP EXPLORATION (ALASKA) INC.

By: _____

Title: _____

Date: _____

0935/2-S2

-25-

Contract No. 92MR067A
4/1/92

PRUDHOE BAY UNIT WORKING INTEREST OWNERS

1. Amerada Hess Corporation
218 West 6th Street
(P.O. Box 2040, 74101)
Tulsa, Oklahoma
2. ARCO Alaska, Inc.
700 G Street
(P.O. Box 100360, 99510-0360)
Anchorage, Alaska
3. Chevron U.S.A., Inc.
6001 Bollinger Canyon Road
(P.O. Box 5043, 94583-0943)
San Ramon, California
4. Exxon Corporation
Exxon Building, 800 Bell Avenue
(P.O. Box 2180, 77001-2180)
Houston, Texas
5. The Louisiana Land and
Exploration Company
Suite 1200, One Civic Center
1560 Broadway
Denver, Colorado 80202
6. Marathon Oil Company
P.O. Box 102380
Anchorage, Alaska 99510
7. Mobil Oil Corporation
P.O. Box 5444
Terminal Annex
Denver, Colorado 80217
8. Phillips Petroleum Co.
8055 E. Tufts Avenue Parkway
Denver, Colorado 80237-2898
9. Shell Western E & P, Inc.
P.O. Box 576
Houston, Texas 77001
10. BP Exploration (Alaska) Inc.
900 East Benson Blvd.
(P.O. Box 196612,) (99519-6612)
Anchorage, Alaska 99508
11. Texaco, USA
10 Universal City Plaza
Universal City, California
81608-1097

-1-

ATTACHMENT 1

ATTACHMENT 1B

ENDICOTT DEVELOPMENT WORKING INTEREST OWNERS

- (1) Amoco Production Company (USA)
Amoco Building
1670 Broadway
Denver, Colorado 80202
- (2) Arco Alaska, Inc.
711 W. 8th Street
P.O. Box 100360
Anchorage, Alaska 99510
- (3) Cook Inlet Region, Inc.
2525 "C" Street
P.O. Box 4-N
Anchorage, Alaska 99509
- (4) Doyon Ltd.
201 First Avenue
Fairbanks, Alaska 99701
- (5) Exxon Company, U.S.A.
3301 "C" Street
Pouch 6601
Anchorage, Alaska 99502
- (6) NANA Development Company
1001 East Benson Blvd.
Anchorage, Alaska 99508
- (7) BP Exploration (Alaska) Inc.
900 East Benson Blvd.
(P.O. Box 196612, 99519-6612)
Anchorage, Alaska 99508
- (8) Union Oil Company
P.O. Box 6247
Anchorage, Alaska 99502

-1-

ATTACHMENT 1B

ATTACHMENT 2

STANDARD INSURANCE REQUIREMENTS

1. Coverage

Contractor will, at its sole expense, secure and maintain and will file with Operator (on behalf of Operator and Working Interest Owners, jointly and severally) proper and acceptable evidence of the following described insurance coverages, which coverages will be secured with insurance companies acceptable to Operator and shall be primary to any coverage carried by Operator which may cover the work specified in this Agreement.

- a. WORKERS' COMPENSATION INSURANCE AND OCCUPATIONAL DISABILITY INSURANCE in compliance with the laws of all applicable state and federal jurisdictions where the work is performed, the state in which Contractor's employees reside, and the state in which Contractor is domiciled covering all employees engaged in the performance of work specified in this Agreement, including coverage for:
- (1) Employer's liability with a limit of not less than \$1,000,000 per accident;
 - (2) "BORROWED SERVANT" endorsement providing that a Workers' Compensation claim brought against Operator or Working Interest Owners by an employee of Contractor will be, with respect to the insurance provided by Contractor, treated as a claim against Contractor;
 - (3) When applicable to operations performed under this Agreement, coverage for liability under the U.S. Longshoreman's and Harbor Worker's Compensation Act and coverage for liability for admiralty benefits and damages under the Jones Act, the Outer Continental Shelf Lands Act, and liability for Federal High Seas Death Act. All such insurance coverages shall carry limits of not less than \$1,000,000 per accident.

In the event the compensation terms of this Agreement indicate that Operator will reimburse Contractor for the cost of Workers' Compensation insurance, the maximum reimbursement Operator will make to Contractor will be calculated utilizing the appropriate premium rate for a guaranteed cost program as contained in the current National Council on Compensation Insurance manual or the standard premium derived from the manual rate, whichever is less.

- b. COMPREHENSIVE GENERAL LIABILITY INSURANCE with contractual liability coverage limits for services performed, including equipment rental, of not less than \$1,000,000 per

-1-

ATTACHMENT 2

occurrence for bodily injury, sickness, or death, and \$1,000,000 per occurrence for property damage, including the following coverages:

- (1) Premises Operations coverage;
 - (2) Independent Contractor's coverage;
 - (3) Contractual Liability for assumed liabilities;
 - (4) Products and Completed Operations coverage;
 - (5) Coverage for explosion, collapse and underground property damage (Premises and Contractual);
 - (6) Contractor's Protective Liability, covering liability for work performed by a subcontractor.
- c. COMPREHENSIVE AUTOMOBILE LIABILITY INSURANCE covering all owned, non--owned, hired and rented vehicles used by Contractor with limits of not less than \$1,000,000 combined single limit for bodily injury, sickness or death per occurrence and \$1,000,000 for loss or damage to property in any one occurrence.
- d. AIRCRAFT LIABILITY INSURANCE, when applicable to operations performed under this Agreement:
- (1) Limits of not less than \$10,000,000 per occurrence or \$1,000,000 per passenger seat, whichever is greater, covering any loss of or damage to property of third parties arising out of any single accident or occurrence.
 - (2) Limits of not less than \$25,000 covering any loss of or damage to cargo not owned by Contractor arising out of any single accident or occurrence.
 - (3) Limits of not less than \$10,000,000 per occurrence or \$1,000,000 per passenger seat, whichever is greater, covering claims of

any kind for injury to or impairment of health or death of any and all persons (including employees of Contractor and Operator and any other third party) arising out of any single accident or occurrence.

- (4) AIRCRAFT HULL ALL RISK INSURANCE covering each aircraft in amounts equal to the actual cash value of said aircraft and its equipment.

-2-

ATTACHMENT 2

2. CERTIFICATES

Contractor shall obtain and deposit with Operator prior to the commencement of operations hereunder certificates of insurance indicating the respective coverages and endorsements set forth herein. Contractor, when required by Operator, will furnish Operator with certified copies of each such insurance policy, complete with all endorsements affecting such policies, as soon as received. The policies will not be canceled or materially altered unless at least thirty (30) days prior written notice of such cancellation or material change is provided to Operator. All applicable policies and certificates will reference the applicable Contract Number.

3. ADDITIONAL INSURED

Contractor will cause Operator and its parent and affiliated corporations, officers, directors, employees, agents and Working Interest Owners and their respective parent companies to be named as additional insured to all insurance policies specified in subparagraphs 1.b. through d. above, but only as respects liability incurred as a result of Contractor's operations under this Agreement. Such insurance policies shall also contain a provision or endorsement that coverages provided hereunder are primary and underlying to any insurance coverages carried by Operator or Working Interest Owners.

4. WAIVER OF SUBROGATION

Contractor will furnish Operator a waiver of the rights of subrogation and recovery and recoupment by each of its carriers in favor of Operator and Working Interest Owners and their respective parent companies with respect to each of Contractor's policies of insurance.

5. SUBCONTRACTORS INSURANCE

Contractor will require and ensure that all subcontractors, if any, engaged by Contractor carry the minimum insurance coverage in the amounts specified herein and evidenced by policies in the form required of Contractor hereunder.

6. NOTICES OF OCCUPATIONAL INJURY

Whenever an employee of Contractor or Subcontractor suffers an occupational injury or an occupational disease because of work performed under this Agreement, and such injury or disease is required by the workers' compensation or occupational disease laws to be reported to the proper authorities, copies of such report shall be furnished promptly by Contractor to Operator's safety and operational representatives.

-3-

ATTACHMENT 2

7. OTHER INSURANCE COVERAGES

Contractor may provide such other insurance on its own account as it may deem necessary, but in the event other insurance is carried, Contractor agrees to waive and have its insurers waive any rights of subrogation they may have against Operator and its affiliates, officers, directors, employees, agents and Working Interest Owners. Contractor also waives any rights of subrogation as respects damage to its equipment, including loss of use thereof, whether insured or not.

8. SELF INSURANCE

No form of Contractor self-insurance, including but not limited to insuring or reinsuring with an affiliate organization is acceptable or allowable under the terms of this Agreement unless prior to the commencement of operations hereunder, Operator's Representative who is charged with administrative cognizance of this Agreement gives written consent and approval to any such insuring or reinsuring arrangement. Any deductibles and exclusions in coverage in the above described policies shall be assumed by, for the account of, and at the sole risk of Contractor.

9. APPROVAL OF COUNSEL

Policies shall also state that Operator has the right to approve counsel retained by Contractor or the Insurer to represent Operator in any actions which arise out of this Agreement.

10. BORROWED SERVANT DEFENSE

All policies shall state that the Insurer has reviewed the provisions of this Agreement and is aware of the relationship between Operator and Contractor and that neither Contractor nor the Insurer will in any way assert or attempt to assert, in any action brought against Operator by an employee of Contractor or any subcontractor, that such was a loaned or borrowed servant of Operator.

ATTACHMENT 3

BP EXPLORATION (ALASKA) INC.

NORTH SLOPE CLINIC AND MEDEVAC PROCEDURES

BP Exploration (Alaska) Inc. supports a North Slope medical clinic at the Base Operations Camp which provides certain urgent and acute care capabilities for North Slope contractor/subcontractor employees. The medical facility is not a "general practice" center, and should not be utilized for routine care by any employee. In an emergency, the Clinic staff will respond and function as a triage center for the injured or ill employees.

When either emergency or non-emergency medical care of injured and/or ill BP Exploration (Alaska) Inc. contractor/subcontractor employees is requested, their medical care becomes the responsibility of Physician's Assistants working under a collaborative agreement with the BP Exploration (Alaska) Inc. Medical Advisor. Therefore, the BP Exploration (Alaska) Inc. medical department will make the emergency medical care decisions and referrals necessary to provide the employee with the appropriate level of care as expeditiously as possible.

As soon as the required emergency medical care is provided and medevac/referral arrangements are confirmed, BP Exploration (Alaska) Inc. will contact the appropriate contractor/subcontractor supervisors and/or their home office with pertinent information regarding the patient's status. The patient's condition, destination, mode of transportation, ETA, hospital requested, treating physicians (if known), and other available information will be given to the contractors/subcontractors and BP Exploration (Alaska) Inc. departments through proper channels.

Adherence to established medevac procedures and Clinic protocol will help ensure competent and efficient medical care for all North Slope employees.

ATTACHMENT 4

ALASKAN/ALASKAN NATIVE/NORTH SLOPE BOROUGH RESIDENT LABOR UTILIZATION REPORT

<TABLE>

CONTRACTOR:	GCI Network Systems	CONTRACT ENGINEER:	M. L. Galbreath
CONTRACT NO.:	92MR067A	GOAL:	
EXPIRATION DATE:	3/31/97	Alaskan Residents	100%
		Alaskan Native Residents	0%
		NSB Residents	0%

MONTH	TOTAL NO. STAFF	ALASKAN RESIDENTS		AK NATIVE RESIDENTS		NSB RESIDENTS	
		NO.	%	NO.	%	NO.	%
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
January							
February							
March							
April							

May

 June

 July

 August

 September

 October

 November

 December

Comments/Action: _____

Manager's Signature: _____ Date: _____
 (Name)

 (Title)

</TABLE>

ATTACHMENT 5
 HEALTH, SAFETY, AND SECURITY PROCEDURES

I. STANDARD OPERATING PROCEDURES

Standard Operating Procedures have been prepared for the general safety and welfare of all personnel working in the Prudhoe Bay area at both operating fields (Western Operating Area/Endicott Operating Area), Contractor will implement and maintain these procedures as part of its Operator-approved safety program. It is understood that some of these requirements are more stringent than the state or federal safety regulations.

In order to promote safe work practices, Contractor shall ensure that Section 16 of Operator's Safe Practices Manual, as amended from time-to-time, shall be readily accessible to all Contractor employees at the work site. Contractor's Management shall ensure that all Contractor employees are cognizant of and in full compliance with policies and procedures outlined in Operator's Safe Practices Manual, Section 16, entitled: "Contractor's Responsibility for Safety and Security Regulations."

II. OPERATIONS CONTRACTOR BASIC SAFETY INDOCTRINATION/H2S TRAINING

Contractor personnel assigned hereunder are required to attend a safety indoctrination/H2S training prior to performing work on Operator's Prudhoe Bay and/or Endicott property or facilities. Operator shall provide such indoctrination/H2S training at times mutually agreeable to both Operator and Contractor. Contractor will be compensated as time worked for time spent by its employees in such indoctrination/H2S training.

1. BASIC SAFETY INDOCTRINATION

Any individuals not having worked at Prudhoe Bay or Endicott within the preceding 12 months will be required to attend the indoctrination even though they may have attended such training prior to the 12 month hiatus.

2. H2S TRAINING

As with many producing oil fields, the possibility exists that hydrogen sulfide gas (H2S) may be encountered in the Prudhoe Bay Western Operating Area and/or Endicott Operating Area. Accordingly, Operator has designated certain areas within its facilities and well pads as H2S areas. All personnel entering these areas will be required to comply with Operator's Prudhoe Bay Hydrogen Sulfide Guidelines unless otherwise specified in writing by Operator's administrative representative.

An annual H2S refresher training will be provided to Contractor's employees by Operator. Any individuals not having work at Prudhoe

Bay within the preceding 12-months will be required to attend the H2S training even though they may have attended such training prior to the 12 month hiatus.

III. SAFETY AND HEALTH PROGRAM

Contractor shall provide Operators Safety Manager with a comprehensive safety and health program manual. This manual will be submitted prior to Contractors arrival on site to perform work on Operators Prudhoe Bay and/or Endicott property or facilities. The manual will contain, but not be limited to, the following:

1. Safety policy and objectives
2. Staff plan and responsibilities
3. Hazardous work narrative
4. Safety and arctic indoctrination
5. Safe practices and operations code
6. Standard operating procedures
7. Supervisory safety procedures
8. Defensive drive procedures
9. Cold weather operations
10. Safety equipment and arctic gear provisions
11. Hearing conservation
12. Hazard communication/Right To Know Law
13. Equipment inspection procedures
14. Hydrogen Sulfide procedures
15. Disciplinary procedures
16. Supervisor/Foreman accident recognition program
17. Accident/incident investigation procedures

IV. BP EXPLORATION SAFETY PRACTICES MANUAL

As an aid to Contractor, Operator will provide Contractor with a BP Exploration Safe Practices Manual. Contractor will comply with all phases of the safe work practices stated therein as same may be amended from time to time. In the event of an anomaly between the State of Alaska Department of Labor Occupational Safety and Health rules and regulations and/or with the Federal Occupational Safety and Health Standards as defined under the William Steigner Occupational Safety and Health Act of 1970, the stricter of the three shall apply.

V. SECURITY

-2-

ATTACHMENT 5

Contractor's employees must obtain photo identification badges from Operator's North Slope Security office in order to gain access to the Western Operating Area and/or Endicott Operating Area of the Prudhoe Bay Field. Badges will be issued to employees in person at the Base Operations Center (BOC) Security office. Contractor should make arrangements for having badges issued to its employees by contacting:

WESTERN OPERATING AREA:

Security Department
BP Exploration (Alaska), Inc.
P.O. Box 196612, BOC, Prudhoe Bay
Anchorage, Alaska 99519-6612
(907) 659-3101, ext. 4441

ENDICOTT OPERATING AREA:

Security Department
BP Exploration (Alaska), Inc.
P.O. Box 196612, BOC, Endicott
Anchorage, Alaska 99519-6612
(907) 659-6500, ext. 6516

VI. VISITOR POLICY

Access to the Base Operations Center complex is limited to the following persons:

1. BP Exploration employees.
2. Visitors on official BP Exploration business as authorized by the North Slope Operations Manager or his delegate. Access is permitted for the duration of such business activity only.
3. Non-business visitors when sponsored by a BP Exploration employee are subject to the following conditions:
 - a. Each visitor must be identified and signed in at the security desk by the sponsoring employee. The visitor will be provided a visitor's badge which must be worn AT ALL TIMES while in the complex.
 - b. Visitors shall be restricted to residential and recreational

areas. No visitor shall be permitted in any working area of the complex without the prior expressed approval of the North Slope Operations Manager or his delegate.

-3-

ATTACHMENT 5

- c. Visitors shall observe all the normal rules Of Conduct applying to the complex, including rules prohibiting solicitation and distribution. Violators shall be subject to a permanent ban from the complex.
- d. No person engaged in an occupation encompassing solicitation of any kind (tax consultants, labor organization representatives, fraternal or charitable association representative, salesmen, insurance agents, brokers, etc.), shall be permitted access.
- e. Visitors must remain with their sponsor at all times.
- f. Visitors must be out by midnight or noon depending on the time of day they signed in, e.g., day shift workers from 7:00 p.m. to midnight and night shift workers from 7:00 a.m. to noon.

VII. LAWS, RULES, AND REGULATIONS

Contractor shall comply, but not by way of limitation, with the State of Alaska Department of Labor Occupational Safety and Health Rules and Regulations and/or Occupational Safety and Health Act of 1970 and will ensure that its employees, servants, agents, and subcontractors observe and comply with such laws, rules, regulations, and procedures and do not engage in activities objectionable to local or governmental authorities.

VIII. SAFETY STANDARDS

Contractor shall conform to the highest standards of safety practices in performance of the work and shall organize and vigorously maintain a comprehensive safety program covering all phases of the work and shall conform to all safety practices and requirements of Operator. Contractor warrants that any and all work performed and/or equipment delivered to Operator or Operator's designee under this Agreement shall comply with all requirements of the State of Alaska Department of Labor Occupational Safety and Health rules and regulations and with the Federal Occupational Safety and Health Standards Act of 1970, as the same may be amended from time to time and including all regulations adopted pursuant to such Act, and shall comply with all the requirements of any applicable health or safety statute or regulations adopted pursuant to such Act. Contractor further warrants that it shall comply with all the requirements of any applicable health or safety statute or regulation of any state or local government agency having jurisdiction in the location to which such equipment is to be shipped or such work is to be performed pursuant to this Agreement. Contractor shall be solely responsible for compliance with all such laws or regulations without relying upon enforcement thereof by, or instruction of, Operator.

-4-

ATTACHMENT 5

IX. GOVERNMENT INSPECTIONS

Contractor agrees to promptly report in full to Operator any safety or health inspection by state or federal governmental authorities. Contractor shall coordinate all contacts with said agencies with Operator prior to that contact. All on-site safety inspections by state or federal government inspectors will be coordinated through Operator. Contractor will immediately notify Operator when an inspector arrives on-site.

X. INSPECTIONS BY OPERATOR

As part of its activities under Paragraph V.7. of the Contract Standard Terms and Conditions, Operator shall have the right to conduct safety and health inspections and/or review all work in progress at any time to ensure that no anomalies exist.

XI. SAFETY MEETINGS

Contractor's employees who are working within BP Exploration facilities shall attend Operator and/or Contractor conducted safety meetings at least once per month. During the months of January, April, July, October and November, Operator may request "ALL" employees working in the North Slope Western Operating Area and/or Endicott Operating Area to attend a safety meeting at a predetermined mutually agreeable location. An attendance record and minutes of each meeting will be maintained and/or forwarded to Operator's Manager of Safety.

XII. FIRST AID CARDS

All foremen, supervisors and employees in direct charge of crews in field operations shall have a current certificate of first aid training. In addition, there shall also be at least one employee with a current certificate of first aid training at all places where crews of less than 15 employees, and in all places where crews of more than 15 employees there shall be at least two employees with current certificate of first aid training.

XIII. REQUIRED CONTRACTOR EMPLOYEE SAFETY GEAR/ARCTIC EQUIPMENT

Contractor, without otherwise limiting its full responsibilities, specifically agrees to furnish and/or require its employees to have all the necessary protective clothing and protective equipment.

1. SAFETY-TOED FOOT GEAR

All Contractor employees working in an area where safety-toed foot gear is required must wear safety-toed foot gear which is in compliance with ANSI Specification Z41-1.

-5-

ATTACHMENT 5

2. HARD HATS AND SAFETY GLASSES

All Contractor personnel will wear approved ANSI Standard Z89.1 hard hats and approved ANSI Standard Z87.1 safety glasses with side shields in all locations where Operator has indicated such are to be worn.

3. ARCTIC CLOTHING

All Contractor personnel reporting to work, at Operator's job site shall report equipped with arctic clothing adequate for the working environment to which they are assigned. Such required clothing shall include, but not be limited to the following:

Clerks and others who are seldom required to go out-of doors:

Down-filled parka, lined gloves, arctic pacs; w/liners

Personnel having frequent occasion to go out-of-doors, but who would not have extended work assignments out-of-doors:

Down-filled parka, Balaclava wool cap, lined gloves, safety-toed arctic pacs w/liners, safety-toed insulated shoes

All others:

Down-filled parka and down-filled pants (may be substituted for down-filled coveralls) down-filled coveralls, Balaclava wool cap, lined gloves, polar mittens, face mask, safety-toed arctic pacs Miners or bunny boots, safety-toed insulated shoes

XIV. ADDITIONAL SPECIAL PURPOSE EQUIPMENT

Operator will provide Contractor employees with the necessary additional safety equipment which would be required for the work to be performed.

XV. RESPONSIBILITY FOR PROVIDING GEAR

The providing of the gear specified in Paragraphs XIII.a. through c. above, unless expressly stated otherwise, shall be the responsibility of Contractor and shall not be reimbursed by Operator.

-6-

ATTACHMENT 5

XVI. DETERMINATION OF ADEQUACY

Operators Technical Representative shall issue the final decision, at his sole discretion, when there is a dispute regarding adequacy of gear and/or clothing of Contractor personnel.

-7-

ATTACHMENT 5

c. AFTER HOURS

The outsource vendor is expected to respond to serious network problems on a 24 hour/7 day basis. A single phone number will be published that can be used after hours to initiate a service request.

d. CHANGE IMPLEMENTATION

Moves, Adds, and Changes (MAC): Perform all work required to coordinate and perform MAC's of all voice/data services within the Anchorage HOB.

Perform MAC's within five days of written request.

e. TECHNICAL SUPPORT

Providing network technical support to other BP groups. This would include the following:

- 1) Network development and configuration/migration strategy.
- 2) The installation, testing, and performance of third party network software.
- 3) De-bugging software, network hardware problems when no specific fault is readily identifiable.
- 4) Provide co-ordination with other BPXA and BP Group network nodes.
- 5) Technical support for the applications development and help desk staffs at BPXA.
- 6) Provide support for maintenance of inter-system connectivity requirements to other BPXA sites.

f. PROCEDURES

Procedures and Operations & Maintenance Support Documentation will be developed for any new Systems, Networks, equipment, etc. so as to be available at implementation.

Contract No. 92MR067A
ATTACHMENT 6

0935/8-S6

-8-

4/1/92

2. TELECOMMUNICATIONS OPERATIONS

Operation and Administration of the Anchorage HOB telephone systems, video teleconferencing facility, and other telecommunications resources. Provide point of contact for co-ordination and administration of telecommunications service requests. Report and record all service activity.

a. PBX

Operate the PBX central console position during all normal working hours. All calls to the operator will be handled promptly and courteously.

All calls answered within 5 rings
All complaints investigated and resolved.

B. VIDEO TELECONFERENCING

Provide single point coordination for all Exploration Western Hemisphere (XWH) video teleconference problems.

Operate the video teleconference facility and have an operator in attendance at all scheduled conferences. Technicians will be immediately available for all critical conferences. Participate in the BP teleconference Trade Association.

Maintain 85% successful conferences with no significant 'interruption
Maintain complete records of each conference to include:
Attendees
Features used
Significant Events

C. WORK ORDERS

Maintain all records related to Moves, Adds, and Changes, co-ordinate activity with staff responsible for performing work, and insure that schedules are met and users are informed. Program all changes into the PBX, Voice Message System and Telemanagement System as appropriate.

All activity is recorded 100%
End user is kept informed 100%

Contract No. 92MR067A
ATTACHMENT 6

0935/8-S6

-9-

4/1/92

d. TELECOMMUNICATION HOTLINE

Accept and record all network trouble calls and service requests and coordinate corrective action. Communicate with end users until resolution.

All request are documented 100%
End user is kept informed 100%
Answer all calls within 5 rings

e. ADMINISTER THE INVENTORY

The inventory of telecommunication devices including pagers, modems, cellular phones and telephone credit cards is accurate and complete

f. COMPUTER ACCESS SECURITY SYSTEM

Maintain the user information and manage changes with 100% accuracy.

g. TELEMAGEMENT SYSTEM

Make all appropriate daily entries, resolve data discrepancies daily, provide monthly cost management reports by 3rd working day of the month.

3. TELECOM ENGINEERING

The responsibilities of Telecom Engineering includes the design, implementation, problem resolution, and analysis of all communication systems used or required by Operator. The following list of responsibilities are traditional to telecom engineering although others are peculiar to the business practices of Operator.

a. Design communication systems to fit technical and business requirements.

b. Plan for future communication needs and requirements.

c. Analyze and resolve problems affecting existing communication systems.

d. Provide technical consultancy.

e. Create and maintain drawings (i.e. system, block diagram, organizational, maps, installation schematics, circuit layout records, etc.) to document all communication systems and new installations.

Contract No. 92MR067A

ATTACHMENT 6

0935/8-S6

-10-

4/1/92

f. Acknowledge receipt of North Slope Engineering Requests. PBU Plant Change Requests, and other requests for engineering services within five working days.

g. Generate installation work scopes and Contractor Service Orders (CSOs) to initiate Telecom related work.

h. Mobilize and manage specialized contracted labor.

i. Provide on-site (e.g. North Slope) project coordination and technical guidance.

j. Present telecommunication plans, designs, options, or technical summaries to technical and management audiences.

k. Maintain currency for all existing FCC authorizations, apply for new authorizations, initiate frequency coordinations, liaison with attorneys on FCC matters, resolve FCC violations or questions, research intermodulation suspicions, etc.

l. Maintain Operator's FCC license databases (i.e. statewide database and BP Communications Inc. database).

m. Perform detailed technical cost estimates for projects.

n. Requisition required project materials and liaison with Purchasing Department to guarantee: delivery dates, shipping requirements, spares requirements, delivery verification, sole source justifications, etc.

o. Monitor financial project commitments and expenses, authorize time sheets and invoices, provide account coding for expenses, etc.

p. Represent the interests of Operator in the following forums: Alaska Clean Seas, American Petroleum Institute, National RoIm Users Group, N/S Telecom Video Conferences, PBU Telecom Group, Engineering/Operations

Joint Meetings, etc.

- q. Maintain relationships with key vendors to assure product support and continued knowledge of installed communication systems.
- r. Maintain technical expertise on all currently installed equipment and any new advances in the technology.

Contract No. 92MR067A
ATTACHMENT 6
4/1/92

0935/8-S6

-11-

B. MANAGEMENT PLAN

1. CYCLE.

The annual cycle will commence when the Operator provides the Contractor with the business and financial objectives for the following year. (July)

2. CONTENT

The management plan will describe operating procedures, interfaces, and process to be performed. It will identify Incentive Program Objectives which if met will be compensated for under the 50/50 plan as stated in ATTACHMENT 9.

3. STAFFING

In conjunction with the Management Plan, the Contractor will develop a Staffing Plan to show the positions deemed necessary to execute the Management Plan, and provide the level of service required in the Scope of Work.

Contract No. 92MR067A
ATTACHMENT 6
4/1/92

0935/8-S6

-12-

ATTACHMENT 7

MANAGEMENT PLAN

1.0 STAFFING PLAN

I. OVERVIEW: The staffing plan describes the organization required to meet the Service Level Agreement and the terms of the outsourcing contract.

Leading the GCI on site staff will be the Manager, Telecommunications. The on site manager will report to GCI's VP of Technical Services. The Manager will have three teams reporting to him/her, each led by a working supervisor or "Senior" person.

- - NETWORK OPERATIONS: Four technicians and a supervisor responsible for maintenance of all hardware components.
- - TELECOMMUNICATIONS OPERATIONS: Three operations staff and a lead or supervisory person responsible for operation and administration of communications systems.
- - ENGINEERING: Two engineers and a senior engineer responsible for network change management.

Details of the specific duties of each group is covered in other sections of the management plan.

Contract No. 92MR067A
ATTACHMENT 6
4/1/92

0935/8-S6

-13-

II. ORGANIZATIONAL CHART

III. POSITION RESULTS STATEMENTS

GCI's Position Results Statements (PRS) are used in place of the traditional "job description." The PRS focuses on the results that are expected from a position rather than just describing duties. The PRS include three documents for each position:

- a. Page one describes the purpose of the position, then the results that the employees (three "constituents") will observe if the employees are to be successful in the position. The constituents are 1. The customer, 2. fellow employees, and 3. company management.
- b. Page two describes the duties and responsibilities of the position and the level of authority the employee has for each.
- c. Page three is a profile that describes the personal traits, experience, education, and values that a person should possess in order to be successful in the position.

This section includes a PRS for each position in the organization.

1. POSITION RESULTS STATEMENTS

POSITION RESULTS STATEMENT

POSITION TITLE	DEPARTMENT	
Manager, Telecommunications	GCI NS	
SUPERVISOR TITLE	COMPANY	LOCATION
V. P., Technical Services	GCI	BP ANC HOB

PURPOSE OF THE POSITION:

To manage the GCI on site staff with the objective of carrying out the terms of the outsource agreement between BPXA and GCI.

IF YOU ARE SUCCESSFUL IN YOUR POSITION, WHAT MEASURABLE RESULTS WILL:

THE CUSTOMER OBSERVE?

- - That the service level agreement goals are achieved.
- - That systems are put in place to measure and report on key performance parameters.
- - That the Telecommunications Department meets budget objectives.
- - That results of service measurements are regularly analyzed and plans are developed to increase efficiency and improve service levels.
- - That the Telecommunications Department is viewed as responsive to the needs of BP's user groups.

FELLOW EMPLOYEES OBSERVE?

- - That responsibility and authority are well defined and communicated.
- - That the manager has a positive affect on the careers of his subordinates.
- - That a true team atmosphere is maintained.
- - That effective communications and coordination is maintained with Network Systems technical services.

UPPER MANAGEMENT OBSERVE?

- - That the BP quality review board rates GCI's performance as highly effective or outstanding.
 - - That the on site manager contributes to the outsource strategy by effective implementation and management at BPXA.
 - - That budget goals of both BPXA and GCI are met.
- Position Results Statement

POSITION RESULTS STATEMENT

DESCRIPTION/RESPONSIBILITY	AUTHORITY
- - Direct the daily activities of the Telecommunications group.	1
- - Collect and analyze productivity information and prepare monthly management reports.	1
- - Assist in developing and implementing network strategies.	1
- - Ensure projects are managed, and brought in on schedule and budget.	1
- - Ensure that all group objectives and service levels are being met.	1
- - Monitor and provide escalation support.	1
- - Ensure all departmental expenses/costs are at or below budgeted levels on a monthly and annual basis.	1
- - Coordinate staffing requirements with GCI Management.	1
- - Hold regular staff and departmental meetings.	1
- - Ensure implementation of all necessary standards and procedures as defined in the Service Level Agreement (SLA).	1
- - Monitor performance levels and recommend adjustments to Service Level Agreement (SLA) as appropriate.	3
- - Ensure training objectives are being met, and that pertinent, ongoing training is provided to Telecommunications staff.	3
- - Review and approve/reject appropriate Authority for Expenditures (AFEs).	2

1=AUTHORITY TO MAKE DECISION WITHOUT ADVISING SUPERVISOR.
2=AUTHORITY TO MAKE DECISION ADVISING SUPERVISOR WITHIN 2-3 DAYS.
3=REQUIRES APPROVAL PRIOR TO MAKING DECISION.

POSITION RESULTS STATEMENT
EMPLOYEE PROFILE

HABITS - WHAT ARE THE BEHAVIORS EXPECTED OF THE CANDIDATE IN ORDER FOR THAT PERSON TO BE SUCCESSFUL IN THIS POSITION?

- - Organized
- - Leadership ability
- - Sense of urgency
- - Result-oriented
- - Professional
- - Keeps abreast of new technologies
- - Responsible
- - Confident
- - Active listener
- - Enthusiastic

SKILLS - IN THIS POSITION, WHAT ABILITIES ARE NECESSARY TO PERFORM IN THIS POSITION?

- - Excellent verbal and written communication skills:
- - Proven ability in managing to objectives in a service environment.
- - Problem solving skills.
- - Proven leadership and team building skills.
- - Analytical skills/Demonstrated ability to write and implement action plans.

EXPERIENCE/KNOWLEDGE - WHAT PREVIOUS EXPERIENCE/KNOWLEDGE IS NECESSARY TO BE SUCCESSFUL IN THIS POSITION? WHAT ADDITIONAL EXPERIENCE/KNOWLEDGE IS PREFERRED? WHAT ARE THE EDUCATIONAL REQUIREMENTS?

- - Experience in the management of a staff of technical professionals.
- - An understanding of digital voice and data communications technologies.
- - Excellent working knowledge of computers and electronics, various computer languages, and data transmission protocols.
- - Bachelors degree in a related field with a minimum of five years experience in communications.
- - Experienced team builder and effective people manager.
- - Experience in user support in a technical environment.

VALUES - WHAT CORPORATE VALUES SHOULD A PERSON POSSESS IN ORDER TO BE

SUCCESSFUL IN THIS POSITION? WHAT PERSONAL VALUES WILL MAKE THIS PERSON A
ROLE MODEL/LEADER FOR OTHERS AT GCI AND/OR IN THIS DEPARTMENT?

- - Promotes and values quality
- - Honesty
- - Dedication
- - Integrity

Contract No. 92MR067A
ATTACHMENT 6
4/1/92

0935/8-S6 -18-

- - Professional and ethical
- - Seeks challenge
- - Positive attitude

2. ENGINEERING PRS

Lead Engineer TO BE PROVIDED

Contract No. 92MR067A
ATTACHMENT 6
4/1/92

0935/8-S6 -19-

POSITION RESULTS STATEMENT

POSITION TITLE: DEPARTMENT:
PBX and LAN Network Engineer (BPXA) Engineering

SUPERVISOR TITLE: COMPANY: LOCATION:
Senior Engineer (BPXA) GCI BP ANC HQB

PURPOSE OF THE POSITION:

Plans, designs, and directs the implementation of various telecommunication switching and data communication (primarily PBX and LAN network) facilities in support of BP Exploration Alaska (BPXA). Provides other support of BPXA's various telecommunications users in the form of problem resolution, investigation, and analysis.

IF YOU ARE SUCCESSFUL IN YOUR POSITION, WHAT MEASURABLE RESULTS WILL:

THE CUSTOMER OBSERVE?

(Customer = North Slope Comm Dept, Prudhoe Bay Unit (PBU), ARCO Alaska, Inc., and BPXA Telecommunication O&M group, et al)

- - A well planned facility as agreed upon by the Customer at the beginning of every project as it relates to functionality, ease of maintenance, and reliability of operation.
- - The Customer will find every facility acceptable as documented through the execution of system test procedures that verify full system functionality and compliance with engineering defined system performance requirements.

FELLOW EMPLOYEES OBSERVE?

- - Projects are completed on schedule and within budget to the extent that you have control of the events that affect the schedule and budget.
- - Responsibility and authority are well defined and communicated (as measured by Customer feedback and adequate up-front planning).
- - Supported departments and Customers feel BPXA Engineering is supportive of their missions (as measured by feedback from them).

UPPER MANAGEMENT OBSERVE?

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

0935/20-S3 -20-

- - Projects are completed on schedule and within budget to the extent that you have control of events that affect the schedule and budget.
- - Immediate communication of events or factors that prohibit project completion on budget or on schedule. Ideas on process, procedure improvements, or new enhanced services are freely offered.

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

0935/21-S3 -21-

POSITION RESULTS STATEMENT

DESCRIPTION/RESPONSIBILITY:	AUTHORITY
- - Prepares project/task schedule and budget.	3
- - Monitors and controls project costs.	1
- - Prepares and maintains all drawings, sketches, CLR's, and other documentation necessary for project implementation.	2
- - Prepares material lists and PO's to procure materials and equipment.	2
- - Discusses price and availability of materials with prospective vendors.	2
- - Prepares Contractor Scope-of-Work and Contractor Service Orders (CSO's); coordinates with Contracts Department as necessary to negotiate contracts.	2
- - Prepares installation notes, wiring lists, diagrams, and other necessary information for use by installation contractors and vendors.	2
- - Prepares or specifies test plans and cutover procedures.	1
- - Mobilizes and monitors installation efforts and works out problems with installation contractors. Seeks advice of Supervisor when appropriate.	1
- - Participates in system turn-up and testing. Documents test results.	1
- - As-builds facilities and monitors/checks preparation of site documentation package for thoroughness and accuracy.	1
- - Ensures that project punch list items remaining after site acceptance are completed.	1
- - Tests and/or evaluates new equipment for present and future projects.	2

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

0935/22-S3

-22-

DESCRIPTION/RESPONSIBILITY:	AUTHORITY
- - Maintains currency in knowledge of data communication and PBX technology by reading trade and professional magazines and journals.	1
- - Maintains currency in knowledge of data communication and PBX technology through training, seminar, and trade show attendance.	3
- - Assists group and Supervisor with planning of future needs and requirements.	3
- - Provide various technical consulting services; analyze and resolve problems affecting existing communication systems.	1
- - Prepare Authority for Expenditures (AFE's) for those projects that require them, including technical and economic justifications	

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

0935/23-S3

-23-

POSITION RESULTS STATEMENT
EMPLOYEE PROFILE

HABITS - WHAT ARE THE BEHAVIORS EXPECTED OF THE CANDIDATE IN ORDER FOR THAT PERSON TO BE SUCCESSFUL IN THIS POSITION?

- - Organized
- - Sense of urgency
- - Highly focused

- - Result-oriented
- - Active listener
- - Team player

SKILLS - IN THIS POSITION, WHAT ABILITIES ARE NECESSARY?

- - Good verbal and written communication skills.
- - Ability to work on several projects at the same time.
- - Personal computer skills (MS-DOS or MAC); knowledge and experience with E-mail, word processor, and spreadsheet software.
- - Ability to work well with other people.

EXPERIENCE/KNOWLEDGE - WHAT PREVIOUS EXPERIENCE/KNOWLEDGE IS NECESSARY TO BE SUCCESSFUL IN THIS POSITION? WHAT ADDITIONAL EXPERIENCE/KNOWLEDGE IS PREFERRED? WHAT ARE THE EDUCATIONAL REQUIREMENTS?

- - BSEE degree or Bachelor's degree in a related field with a minimum of four years Data Communication or PBX Engineering experience.
- - Wide and general knowledge of various types of telecommunications data transmission systems, including LAN's (including Ethernet systems, bridges, routers and gateways), packet switching, statistical multiplexers, multipoint modem/data circuits, DACS's, and fiber optic systems. Experience in designing, installing, and commissioning PBX (preferably ROLM) systems.
- - Fundamental knowledge of computers and electronics so that detailed technical problems are dealt with in a logical manner.
- - Experience and knowledge of various types of computer languages and data transmission protocols.

Contract No. 92MR067A
ATTACHMENT 7

0935/24-S3 -24- 4/1/92

- - Maintained knowledge of current products and services available and applicable to arctic telecommunication systems arid the petroleum industry.

VALUES - WHAT CORPORATE VALUES SHOULD A PERSON POSSESS IN ORDER TO BE SUCCESSFUL IN THIS POSITION? WHAT PERSONAL VALUES WILL MAKE THIS PERSON A ROLE MODEL/LEADER FOR OTHERS AT GCI AND/OR IN THIS DEPARTMENT?

- - Promotes and values quality
- - Honesty
- - Dedication
- - Integrity
- - Professional and ethical

Contract No. 92MR067A
ATTACHMENT 7

0935/25-S3 -25- 4/1/92

POSITION RESULTS STATEMENT

POSITION TITLE	DEPARTMENT
Transmission Engineer (BPXA)	Engineering

SUPERVISOR TITLE	COMPANY	LOCATION
Senior Engineer (BPXA)	GCI	BP ANC HOB

PURPOSE OF THE POSITION:

Plans, designs, and directs the implementation of various telecommunication transmission facilities in support of BP Exploration (Alaska) (BPXA). Provides other engineering support of BPXA's various telecommunications users in the form of problem resolution, investigation, and analysis.

IF YOU ARE SUCCESSFUL IN YOUR POSITION, WHAT MEASURABLE RESULTS WILL:

THE CUSTOMER OBSERVE?

(Customer - North Slope Comm Dept, Prudhoe Bay Unit (PBU), ARCO Alaska, Inc., and BPXA Telecomm O&M group, and others)

- - A well planned facility as agreed upon by the Customer at the beginning of every project as it relates to functionality, ease of maintenance, and reliability of operation. The Customer will find every facility acceptable as documented through the execution of system test procedures that verify full system functionality and compliance with engineering defined system performance requirements.

FELLOW EMPLOYEES OBSERVE?

- - Projects are completed on schedule and within budget to the extent that you have control of the events that affect the schedule and budget.

- - Responsibility and authority are well defined and communicated (as measured by Customer feedback and adequate up-front planning.)
- - Supported departments and Customers feel BPXA Engineering is supportive of their missions (as measured by feedback from them).

UPPER-MANAGEMENT OBSERVE?

- - Projects are completed on schedule and within budget to the extent that you have control of events that affect the schedule and budget.
- - Immediate communication of events or factors that prohibit project completion on budget or on schedule.

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

0935/26-S3

-26-

- - Ideas on process and procedure improvements or new enhanced services are freely offered.

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

0935/27-S3

-27-

POSITION RESULTS STATEMENT

DESCRIPTION/RESPONSIBILITY:

AUTHORITY

- - Performs microwave fade margin and availability calculations. Performs path clearance calculations. 1
- - Prepares filings for submittal to FCC; maintains familiarity with FCC rules and regulations (in particular, Parts 90 and 94); maintains BPXA's FCC license databases (statewide and company). 1
- - Prepares project/task schedule and budget. 3
- - Monitors and controls projects costs. 1
- - Prepares and maintains all drawings, sketches, CLRs, and other documentation necessary for project implementation. 2
- - Prepares material lists and PO's to procure materials and equipment. 2
- - Discusses price and availability of materials with prospective vendors. 3
- - Prepares Contractor scope-of-work and Contractor Service Orders (CSOs); coordinates with Contracts Department as necessary to negotiate contracts. 2
- - Prepares installation notes, wiring lists, diagrams, and other necessary information for use by installation contractor(s) and vendors. 2
- - Prepares or specifies test plans and cutover procedures. 1
- - Mobilizes and monitors installation efforts and works out problems with installation contractors. Seeks advice of supervisor when appropriate. 1
- - Participates in system turn-up and testing. Documents test results. 1

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

0935/28-S3

-28-

- - As-builds facilities and monitors/checks preparation of site documentation package for thoroughness and accuracy. 1

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

0935/29-S3

-29-

DESCRIPTION/RESPONSIBILITY:

AUTHORITY

- - Ensures that project punch list items remaining after site acceptance are completed. 1
- - Tests and/or evaluates new equipment for present and future projects. 2

- - Maintains currency in knowledge of transmission technology by reading trade and professional magazines and journals. 1
- - Maintains currency in knowledge of transmission technology through training, seminar, and trade show attendance. 3
- - Assists group and supervisor with planning for future needs and requirements. 3
- - Provide various technical consulting services; analyze and resolve problems affecting existing communication systems. 1
- - Prepare Authority For Expenditures (AFEs) for those projects that require them, including technical and economic justification. 3

1=AUTHORITY TO MAKE DECISION WITHOUT ADVISING SUPERVISOR.
 2=AUTHORITY TO MAKE DECISION ADVISING SUPERVISOR WITHIN 2-3 DAYS.
 3=REQUIRES APPROVAL PRIOR TO MAKING DECISION.

Contract No. 92MR067A
 ATTACHMENT 7
 4/1/92

0935/30-S3

-30-

POSITION RESULTS STATEMENT
 EMPLOYEE PROFILE

HABITS - WHAT USUAL MANNER OF BEHAVIOR IS EXPECTED FOR A PERSON TO BE SUCCESSFUL IN THIS POSITION?

- - Organized
- - Sense of Urgency
- - Highly focused
- - Result-oriented
- - Active listener
- - Team player

SKILLS - WHAT ABILITIES ARE NECESSARY TO PERFORM IN THIS POSITION?

- - Good verbal and written communication skills.
- - Ability to work on several projects at the same time.
- - Personal computer skills (MS-DOS or MAC); knowledge and experience with E-mail, word processor, and spreadsheet software.
- - Ability to work well with other people.

EXPERIENCE/KNOWLEDGE - WHAT PREVIOUS EXPERIENCE/KNOWLEDGE IS NECESSARY TO BE SUCCESSFUL IN THIS POSITION? WHAT ADDITIONAL EXPERIENCE/KNOWLEDGE IS PREFERRED? EDUCATIONAL REQUIREMENTS?

- - BSEE degree from and accredited university and a minimum two years telecommunication transmission engineering experience.
- - Wide and general knowledge of various types of telecommunications transmission systems, including microwave, multiplex, DAC's, mobile radio, paging, LAN, and fiber optic systems.
- - Fundamental electrical/electronic understanding so that detailed technical problems are dealt with in a logical manner.
- - Experience and knowledge of various types of transmission test equipment.
- - Maintained knowledge of current products and services available and applicable to arctic telecommunication systems and the petroleum industry.
- - Experience in arctic engineering as affects the design and implementation of telecommunication transmission systems.

VALUES - WHAT CORPORATE VALUES SHOULD A PERSON HOLD TO BE SUCCESSFUL IN THIS POSITION? WHAT PERSONAL VALUES WILL MAKE THIS PERSON A ROLE MODEL OR LEADER FOR OTHERS AT GCI AND/OR IN THIS DEPARTMENT?

Contract No. 92MR067A
 ATTACHMENT 7
 4/1/92

0935/31-S3

-31-

- - Promotes and values quality
- - Honesty
- - Dedicated
- - Integrity
- - Professional and ethical

1.3.3 TELECOMMUNICATION OPERATIONS PRS.

Contract No. 92MR067A
 ATTACHMENT 7
 4/1/92

0935/32-S3

-32-

POSITION RESULTS STATEMENT

POSITION TITLE: Telecommunications Ops Supervisor DEPARTMENT: Telecommunications Operations
 SUPERVISOR: Telecommunications Manager COMPANY: GCI LOCATION: BP ANC HOB

PURPOSE OF THE POSITION:
 To manage the daily activities of the Telecommunications Operations Department as part of the GCINS team at BPXA.

IF YOU ARE SUCCESSFUL IN YOUR POSITION, WHAT MEASURABLE RESULTS WILL:

THE CUSTOMER OBSERVE?
 (Customer = North Slope Comm Dept, Prudhoe Bay Unit (PBU), ARCO Alaska, Inc., and BPXA Telecommunication O&M group, et al)

- - Telecommunications Operations is responsible to end users.
- - Daily activities meet BPXA objectives.
- - All Telecommunications Operations staff are professional and courteous.--
- - Problems reported are resolved in a timely manner.
- - MAC requests are exacted within 5 working days.
- - Information given by operators is accurate.

FELLOW EMPLOYEES OBSERVE?

- - Knowledgeable staff.
- - Adequate training to accomplish objectives.
- - Regular staff meetings.
- - Back-up when required.
- - Performance reviews on or before due date.
- - A team spirit and willingness to help wherever required.
- - Written procedures for each job position.

UPPER MANAGEMENT OBSERVE?

- - All service levels are met.
- - Complete and accurate monthly reports
- - Zero unresolved complaints.
- - A positive response on the annual survey form.

Contract No. 92MR067A
 ATTACHMENT 7
 4/1/92

0935/33-S3 -33-

- - Expenses are kept at or below budget.
- - Zero unresolved employee complaints.

POSITION RESULTS STATEMENT

DESCRIPTION/RESPONSIBILITY:	AUTHORITY
- - Daily oversight of all departmental activities to insure compliance with Service Level Agreement	1
- - Scheduling of manpower to meet performance requirements	1
- - Training of Telecommunications Operations staff.	1
- - Preparation of daily procedures for staff.	1
- - Monthly reporting of all pertinent activities, including: incident summaries, LAN/WAN availability, Teleconference availability and usage, PBX statistics, MAC statistics, Network utilization, and other reports when required.	1
- - Provide employee performance reviews on or before due date.	1
- - Represent Telecommunications Operations Department with other BPXA/GCI departments.	1
- - Prepare an annual customer survey	1
- - Operate department within budget requirements.	1

1=AUTHORITY TO MAKE DECISION WITHOUT ADVISING SUPERVISOR.
 2=AUTHORITY TO MAKE DECISION ADVISING SUPERVISOR WITHIN 2-3 DAYS.
 3=REQUIRES APPROVAL PRIOR TO MAKING DECISION.

POSITION RESULTS STATEMENT
EMPLOYEE PROFILE

HABITS - WHAT ARE THE BEHAVIORS EXPECTED OF THE CANDIDATE IN ORDER FOR THAT PERSON TO BE SUCCESSFUL IN THIS POSITION?

- - Team player
- - Detail oriented
- - Enthusiastic
- - Organized
- - Courteous Professional
- - Patient
- - Punctual
- - Self motivated

SKILLS - IN THIS POSITION, WHAT ABILITIES ARE NECESSARY?

- - Excellent written and verbal communication skills.
- - Ability to motivate others.
- - Active listening skills.
- - Excellent problem solving skills.
- - Computer literate.
- - Good teaching/mentoring skills.
- - Good leadership skills.
- - Ability to handle deadlines and multiple projects.

EXPERIENCE/KNOWLEDGE - WHAT PREVIOUS EXPERIENCE/KNOWLEDGE IS NECESSARY TO BE SUCCESSFUL IN THIS POSITION? WHAT ADDITIONAL EXPERIENCE/KNOWLEDGE IS PREFERRED? WHAT ARE THE EDUCATIONAL REQUIREMENTS?

- - A 4 year degree or equivalent experience.
- - 3 years Supervisory experience.
- - Experience in Customer Service or Operator environment.
- - Experience in the operation of Video Teleconferencing equipment.
- - Experience in the operation of a Digital PBX.
- - Experience in the operation of a Telemanagement Software application.
- - Administrative management experience in a technical environment.

Contract No. 92MR067A

ATTACHMENT 7

0935/35-S3

-35-

4/1/92

VALUES - WHAT CORPORATE VALUES SHOULD A PERSON POSSESS IN ORDER TO BE SUCCESSFUL IN THIS POSITION? WHAT PERSONAL VALUES WILL MAKE THIS PERSON ROLE MODEL/LEADER FOR OTHERS AT GCI AND/OR IN THIS DEPARTMENT?

- - Possesses leadership qualities which role model the GCI Declaration of Principles.
- - Team player
- - Dependable
- - Friendly
- - Committed
- - A strong sense of vision

Contract No. 92MR067A

ATTACHMENT 7

0935/36-S3

-36-

4/1/92

POSITION RESULTS STATEMENT

POSITION TITLE	DEPARTMENT
Telecommunications Analyst	Telecommunications Operations

SUPERVISOR TITLE	COMPANY	LOCATION
Telecom Operations Supervisor	G01	BP ANC HOB

PURPOSE OF THE POSITION:
Provide system management of the phone switch and computer access security system at BPXA. Back-up other positions in the Communications Operations Department when required.

IF YOU ARE SUCCESSFUL IN YOUR POSITION, WHAT MEASURABLE RESULTS WILL:

THE CUSTOMER OBSERVE?

- - A fully functioning phone system at BPXA.
- - Change requests are responded to in a timely manner.
- - Effective training on phone mail usage.

FELLOW EMPLOYEES OBSERVE?

- - A team spirit and willingness to help wherever needed.
- - Adequate position coverage by reporting to work on time, completing scheduled shift, and fewer than 1% unscheduled absences are observed.
- - All recorded information is accurate and complete.

UPPER MANAGEMENT OBSERVE?

- - Timely recommendations that ensure efficient operation of the system.
- - All unusual activity is investigated and reported.
- - Statistical reports are accurate and complete.
- - Customers are satisfied, as shown by periodic surveys.

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

0935/37-S3

-37-

POSITION RESULTS STATEMENT

DESCRIPTION/RESPONSIBILITY:	AUTHORITY
- - Program changes to the Rollm switch and Computer Access Security System	1
- - Provide "System Management" of the above to include analysis and required updates, and reporting.	1
- - Maintain an inventory or "at home" devices.	1
- - Assist with the operations of the telemanagement system.	1
- - Provide user training on phone mail.	1
- - Assist with system problem resolution.	1
- - Act as back up to other communications operations positions when required.	1
- - Be available to work varied schedules.	1
- - Act as BPXA/GCINS representative for Rolm users group.	1
- - Other duties as assigned.	1

1=AUTHORITY TO MAKE DECISION WITHOUT ADVISING SUPERVISOR.
2=AUTHORITY TO MAKE DECISION ADVISING SUPERVISOR WITHIN 2-3 DAYS.
3=REQUIRES APPROVAL PRIOR TO MAKING DECISION.

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

0935/38-S3

-38-

POSITION RESULTS STATEMENT
EMPLOYEE PROFILE

HABITS - WHAT USUAL MANNER OF BEHAVIOR IS EXPECTED FOR A PERSON TO BE SUCCESSFUL IN THIS POSITION?

- - Team Player
- - Professional
- - Organized
- - Punctual
- - Conscientious
- - Patient
- - Courteous
- - Detail Oriented

SKILLS - WHAT ABILITIES ARE NECESSARY TO PERFORM THIS POSITION?

- - Excellent interpersonal skills, both in person, and over the phone.

- - Excellent phone skills.
- - Excellent problem solving skills.
- - Computer skills.
- - Analytical and problem solving skills.
- - Ability to teach others.

EXPERIENCE/KNOWLEDGE - WHAT PREVIOUS EXPERIENCE/KNOWLEDGE IS NECESSARY TO BE SUCCESSFUL IN THIS POSITION? WHAT ADDITIONAL EXPERIENCE/KNOWLEDGE IS PREFERRED? EDUCATIONAL REQUIREMENTS?

- - Rolm training on Traffic Management, System Management, and Phone Mail System Administration.
- - Experience with Computer Access Security System.
- - TelephoneNideo teleconferencing operator experience.
- - Experience providing instructions to others.

VALUES - WHAT CORPORATE VALUES SHOULD A PERSON HOLD TO BE SUCCESSFUL IN THIS POSITION? WHAT PERSONAL VALUES WILL MAKE THIS PERSON A ROLE MODEL OR LEADER FOR OTHERS AT GCI AND/OR IN THIS DEPARTMENT?

- - Team player

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

0935/39-S3 -39-

- - Dependable
- - Loyal
- - Community Service oriented
- - Ownership
- - Leadership
- - Trust
- - Honesty
- - Friendly
- - Commitment

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

0935/40-S3 -40-

POSITION RESULTS STATEMENT

POSITION TITLE	DEPARTMENT	
Teleconference/Comm Operator	Telecommunications Operations	
SUPERVISOR TITLE	COMPANY	LOCATION
Telecom Operations Supervisor	GCI	BP ANC HOB

PURPOSE OF THE POSITION:
Set up, operate, and attend video teleconferences. Provide other operator services when not attending video teleconferences.

IF YOU ARE SUCCESSFUL IN YOUR POSITION, WHAT MEASURABLE RESULTS WILL:

THE CUSTOMER OBSERVE?

- - Teleconferences are successful to the extent that the operator has control.
- - All calls are handled quickly (within 5 rings) and pleasantly. Information given is correct.
- - Work requests are processed accurately and in a timely manner, with regular updates if required.
- - Notification or received faxes is timely.
- - Updates regarding critical phone or network related problems occur when required.

FOLLOW EMPLOYEES OBSERVE?

- - A team spirit and willingness to help
- - Adequate position coverage by reporting to work on time, completely

- scheduled shift, and fewer than 1% unscheduled observed.
- - All recorded information is accurate and complete.

UPPER MANAGEMENT OBSERVE?

- - A competent and efficient Communications Operations Department.
- - Zero unresolved customer complaints.
- - 100% complete and accurate records are kept.
- - Customer surveys are positive.

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

0935/41-S3

-41-

POSITION RESULTS STATEMENT

DESCRIPTION/RESPONSIBILITY:	AUTHORITY
- - Primary teleconference operator	1
- - Record all features, attendees, significant events during conferences.	1
- - Answer switchboard and direct calls.	1
- - Answer telephone trouble line and complete trouble tickets or work requests, coordinate in the technicians service activities by dispatching them and customer follow-up with an ETA.	1
- - Operate facsimile and Telex equipment in the Communications Center.	1
- - Prepare monthly reports as required.	1
- - Process requests for changes to the PBX (i.e., phone mail, phone additions or moves.)	1
- - Assist in updating the telephone directory on a monthly basis.	1
- - Be available to work varied schedules.	1
- - Other duties as assigned.	1

- 1=AUTHORITY TO MAKE DECISION WITHOUT ADVISING A SUPERVISOR.
- 2=AUTHORITY TO MAKE DECISION ADVISING A SUPERVISOR WITHIN 2-3 DAYS.
- 3=REQUIRES APPROVAL PRIOR TO MAKING DECISION.

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

0935/42-S3

-42-

POSITION RESULTS STATEMENT
EMPLOYEE PROFILE

HABITS - WHAT USUAL MANNER OF BEHAVIOR IS EXPECTED FOR A PERSON TO BE SUCCESSFUL IN THIS POSITION?

- - Team Player
- - Professional
- - Organized Punctual
- - Conscientious
- - Patient
- - Courteous
- - Detail Oriented

SKILLS - WHAT ABILITIES ARE NECESSARY TO PERFORM IN THIS POSITION?

- - Excellent phone manner.
- - Excellent interpersonal skills, face to face as well as on the phone.
- - Excellent communications skills, written and verbal.
- - Good problem solving skills.
- - Ability to prioritize.

- - Ability to work well under pressure in a sometimes stressful environment.

EXPERIENCE/KNOWLEDGE - WHAT PREVIOUS EXPERIENCE KNOWLEDGE IS NECESSARY TO BE SUCCESSFUL IN THIS POSITION? WHAT ADDITIONAL EXPERIENCE/KNOWLEDGE IS PREFERRED? EDUCATIONAL REQUIREMENTS?

- - Previous operator experience, with knowledge of Rolm switch preferred.
- - Computer operation - Macintosh based to include "FileMaker."
- - Experience with Video Teleconferencing.

VALUES - WHAT CORPORATE VALUES SHOULD A PERSON HOLD TO BE SUCCESSFUL IN THIS POSITION? WHAT PERSONAL VALUES WILL MAKE THIS PERSON A ROLE MODEL OR LEADER FOR OTHERS AT GCI AND/OR IN THIS DEPARTMENT?

- - Team player
- - Responsible
- - Loyal
- - Committed
- - Community service oriented
- - Ownership

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

0935/43-S3

-43-

- - Leadership
- - Honesty
- - Friendly
- - Belief in individual dignity

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

0935/44-S3

-44-

POSITION RESULTS STATEMENT

POSITION TITLE	DEPARTMENT	
Communications Operator	Telecommunications Operations	
SUPERVISOR TITLE	COMPANY	LOCATION
Telecom Operations Supervisor	GC:	BP ANC HOB

PURPOSE OF THE POSITION:
Answer all incoming switchboard and telephone trouble lines, process and monitor work requests, operate facsimile and telex equipment, and provide backup to other communications operations functions when required.

IF YOU ARE SUCCESSFUL IN YOUR POSITION, WHAT MEASURABLE RESULTS WILL THE:

THE CUSTOMER OBSERVE?

- - All calls are handled quickly (within 5 rings) and pleasantly. Information given is correct.
- - Work requests are processed accurately and in a timely manner, with regular updates if required.
- - Notification of received faxes is timely.
- - Updates regarding critical phone or network related problems occur when required.

FOLLOW EMPLOYEES OBSERVE?

- - A team spirit and willingness to help
- - Adequate position coverage by reporting to work on time, completing scheduled shift, and fewer than 1% unscheduled absences observed.
- - All recorded information is accurate and complete.

UPPER MANAGEMENT OBSERVE?

- - A competent and efficient Communications Operations Department.
- - Zero unresolved customer complaints.
- - 100% complete and accurate records are kept.
- - Customer surveys are positive.

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

0935/45-S3

-45-

POSITION RESULTS STATEMENT

DESCRIPTION/RESPONSIBILITY:	AUTHORITY
- - Answer switchboard and direct calls.	1
- - Answer telephone trouble line and complete trouble tickets or work requests, coordinate technicians service activities by dispatching them and providing the customer with an ETA.	
- - Operate facsimile and Telex equipment in the Communications Center.	1
- - Prepare monthly reports as required.	1
- - Process requests for changes to the PBX (i.e., phone mail, phone additions or moves.)	1
- - Provide back-up to the Video Teleconference Operator position.	1
- - Be available to work varied schedules.	1
- - Other duties as assigned.	1

1=AUTHORITY TO MAKE DECISION WITHOUT ADVISING A SUPERVISOR.
2=AUTHORITY TO MAKE DECISION ADVISING A SUPERVISOR WITHIN 2-3 DAYS.
3=REQUIRES APPROVAL PRIOR TO MAKING DECISION.

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

0935/46-S3

-46-

POSITION RESULTS STATEMENT
EMPLOYEE PROFILE

HABITS - WHAT USUAL MANNER OF BEHAVIOR IS EXPECTED FOR A PERSON TO BE SUCCESSFUL IN THIS POSITION?

- - Team Player
- - Professional
- - Organized
- - Punctual
- - Conscientious
- - Patient
- - Courteous
- - Detail Oriented

SKILLS - WHAT ABILITIES ARE NECESSARY TO PERFORM IN THIS POSITION?

- - Excellent phone manner.
- - Excellent interpersonal skills, in person as well as on the phone.
Excellent communications skills, written and verbal.

- - Good problem solving skills.
- - Ability to prioritize.
- - Ability to work well under pressure in a sometimes stressful environment.

EXPERIENCE/KNOWLEDGE - WHAT PREVIOUS EXPERIENCE/KNOWLEDGE IS NECESSARY TO BE SUCCESSFUL IN THIS POSITION? WHAT ADDITIONAL EXPERIENCE/KNOWLEDGE IS PREFERRED? EDUCATIONAL REQUIREMENTS?

- - Previous operator experience, with knowledge of Rolm switch preferred.
- - Computer operation - Macintosh based to include "FileMaker."
- - Experience with Video Teleconferencing.

VALUES - WHAT CORPORATE VALUES SHOULD A PERSON HOLD TO BE SUCCESSFUL IN THIS POSITION? WHAT PERSONAL VALUES WILL MAKE THIS PERSON A ROLE MODEL OR LEADER FOR OTHERS AT GCI AND/OR IN THIS DEPARTMENT?

- - Team player
- - Responsible Loyal
- - Committed
- - Community service oriented
- - Ownership

0935/47-S3 -47- Contract No. 92MR067A
ATTACHMENT 7
4/1/92

- - Leadership
- - Honesty
- - Friendly
- - Belief in individual dignity

0935/48-S3 -48- Contract No. 92MR067A
ATTACHMENT 7
4/1/92

1.3.4 NETWORK OPERATIONS PRS

0935/49-S3 -49- Contract No. 92MR067A
ATTACHMENT 7
4/1/92

POSITION RESULTS STATEMENT

POSITION TITLE	DEPARTMENT
Network Operations Supervisor	Network Operations

SUPERVISOR TITLE	COMPANY	LOCATION
Manager, Telecommunications	GCI	BP ANC HOB

PURPOSE OF THE POSITION:

To provide expertise on a wide range of digital communications network

technologies, assist in the development of LAN/WAN network strategies, perform technical product evaluation, new product implementation planning, project management, and operational technical support of the telecommunications network. The supervisor directs the network operations staff and routinely works with engineers, vendors, applications providers, and network users.

IF YOU ARE SUCCESSFUL IN YOUR POSITION, WHAT MEASURABLE RESULTS WILL:

THE CUSTOMER OBSERVE?

- - BPXA will observe the Network Operations group is responsive in serving end users.
- - Unscheduled downtime meets the Service Level Agreement.
- - All established procedures are communicated to users and followed.
- - All systems are functioning property.
- - No unresolved complaints regarding network services.

FELLOW EMPLOYEES OBSERVE?

- - That responsibility and authority are well defined and communicated.
- - That the supervisor has a positive effect on the career of his subordinates.

UPPER MANAGEMENT OBSERVE?

- - BPXA is completely satisfied with network services provided.
- - A seamless interface between GCI and BPXA staff, and among teams within the telecommunications group.
- - No unresolved complaints as to service performed.

0935/50-S3

-50-

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

POSITION RESULTS STATEMENT

DESCRIPTION/RESPONSIBILITY	AUTHORITY
- - Direct the daily activities of the Network Operations group.	1
- - The daily operation of the Local and Wide Area Networks (LAN/WAN).	1
- - Participate in network design and planning.	1
- - Ensure that all group objectives and service levels are being met.	1
- - Provide escalation support.	1
- - Installation, maintenance, and problem resolution for all network operating and diagnostic software.	1
- - Coordinate staffing requirements with manager, Telecommunications.	1
- - Hold regular team meetings.	1
- - Ensure implementation of all necessary network operating standards and procedures as defined in the Service Level Agreement (SLA).	1
- - Other duties as directed by Manager, Telecommunications.	1

1=AUTHORITY TO MAKE DECISION WITHOUT ADVISING SUPERVISOR.
2=AUTHORITY TO MAKE DECISION ADVISING SUPERVISOR WITHIN 2-3 DAYS.
3=REQUIRES APPROVAL PRIOR TO MAKING DECISION.

0935/51-S3

-51-

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

POSITION RESULTS STATEMENT
EMPLOYEE PROFILE

HABITS - WHAT ARE THE BEHAVIORS EXPECTED OF THE CANDIDATE IN ORDER FOR THAT PERSON TO BE SUCCESSFUL IN THIS POSITION?

- - Organized
- - Keeps abreast of new technologies
- - Leadership ability
- - Responsible
- - Sense of urgency
- - Highly focused
- - Result-oriented
- - Active listener
- - Professional

SKILLS - IN THIS POSITION, WHAT ABILITIES ARE NECESSARY TO PERFORM IN THIS POSITION?

- - Excellent verbal and written communication skills.
- - The ability to work under pressure and deadlines.
- - Problem solving skills.
- - Strong customer service skills
- - Proven leadership skills.

EXPERIENCE/KNOWLEDGE - WHAT PREVIOUS EXPERIENCE/KNOWLEDGE IS NECESSARY TO BE SUCCESSFUL IN THIS POSITION? WHAT ADDITIONAL EXPERIENCE/KNOWLEDGE IS PREFERRED? WHAT ARE THE EDUCATIONAL REQUIREMENTS?

- - Extensive experience in Local and Wide area network design, implementation, and support.
- - Experience supporting common protocols including SDLC, DECNET, X.25, TCP IP, SNMP and Apple Talk phase 1 and 2.
- - Excellent working knowledge of computers and electronics, various computer languages and data transmission protocols.
- - Bachelor's degree in a related field with a minimum of five years experience in communications. Equivalent experience and technical education not leading to a degree is acceptable.
- - Experience in the management of a staff of technical professionals.
- - Experience in product evaluation and testing.
- - Knowledge of telephony.
- - Project management.

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

0935/52-S3

-52-

VALUES - WHAT CORPORATE VALUES SHOULD A PERSON POSSESS IN ORDER TO BE SUCCESSFUL IN THIS POSITION? WHAT PERSONAL VALUES WILL MAKE THIS PERSON A ROLE MODEL/LEADER FOR OTHERS AT GCI AND/OR IN THIS DEPARTMENT?

- - Promotes and values quality
- - Honesty
- - Dedication
- - Integrity
- - Professional and ethical
- - Seeks challenge
- - Positive Attitude

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

0935/53-S3

-53-

1=AUTHORITY TO MAKE DECISION WITHOUT ADVISING A SUPERVISOR.
2=AUTHORITY TO MAKE DECISION ADVISING A SUPERVISOR WITHIN 2-3 DAYS.

0935/37-S3

-55-

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

3=REQUIRES APPROVAL PRIOR TO MAKING DECISION.

0935/37-S3

-56-

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

POSITION RESULTS STATEMENT
EMPLOYEE PROFILE

HABITS - WHAT USUAL MANNER OF BEHAVIOR IS EXPECTED FOR A PERSON TO BE SUCCESS IN THIS POSITION?

- - Professional
- - Organized
- - Courteous
- - Team player
- - Perpetual learner
- - Detail oriented

SKILL - WHAT ABILITIES ARE NECESSARY TO PERFORM IN THIS POSITION?

- - Excellent analytical skills
- - Ability to train others
- - Excellent interpersonal skills
- - Excellent troubleshooting skills
- - Ability to work under pressure
- - Good communications skills
- - Good time management skills
- - Good computer skills
- - Skilled with advanced networking test equipment

EXPERIENCE/KNOWLEDGE - WHAT PREVIOUS EXPERIENCE/KNOWLEDGE IS NECESSARY TO BE SUCCESSFUL IN THIS POSITION? WHAT ADDITIONAL EXPERIENCE/KNOWLEDGE IS PREFERRED? EDUCATIONAL REQUIREMENTS?

- - Graduation from a two year degree program in Electronics, or equivalent demonstrated experience.
- - Formal training in LAN/WAN technologies.
- - Five years experience in the Data/Telecommunications industry as a technician.
- - Knowledge of multiple networking platforms and topologies, and knowledge of Wide Area Technologies sufficient to perform all forms of maintenance with a high level of skill.
- - Knowledge and experience in pc and mainframe technologies.

VALUES - WHAT CORPORATE VALUES SHOULD A PERSON HOLD TO BE SUCCESSFUL IN THIS POSITION? WHAT PERSONAL VALUES WILL MAKE THIS PERSON A ROLE MODEL OR LEADER FOR OTHERS AT GCI AND/OR IN THIS DEPARTMENT?

- - Role models the Declaration of Principles

0935/37-S3

-57-

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

- - Commitment
- - Honesty

- - Team spirit
- - Believes in quality work
- - Customer service
- - Leadership
- - Desire to excel in the field of networking/telecommunications

Contract No. 92MR067A
 ATTACHMENT 7
 4/1/92

0935/37-S3

-58-

POSITION RESULTS STATEMENT

POSITION TITLE	DEPARTMENT
Telecommunications Technician PBX	Network Operations

SUPERVISOR TITLE	COMPANY	LOCATION
Network Operations Supervisor	GCI	BP ANC HOB

PURPOSE OF THE POSITION:
 To provide corrective and preventive maintenance on the Rolm 9000 series digital switch, associated cabling, and end-user instruments. To provide moves, adds, and changes to the cable plant in conjunctions with the Inside Cable Plant Technician.

IF YOU ARE SUCCESSFUL IN YOUR POSITION, WHAT MEASURABLE RESULTS WILL:

THE CUSTOMER OBSERVE?

- - An immediate response to major problems during normal business hours, and a 2 hour response after hours.
- - Moves are accomplished within five (5) working days.
- - A seamless Telecommunications operation at BPXA.
- - No unresolved user problems.

FELLOW EMPLOYEES OBSERVE?

- - A team spirit and willingness to help wherever required.
- - Cross-training to spread resources over a broader base.
- - Accurate and complete paperwork.
- - Assistance in trouble-shooting network problems.

UPPER MANAGEMENT OBSERVE?

- - All service levels are met, including response times and facilities availability.
- - Proper notification in the event escalation is required.
- - Zero unresolved customer problems.

Contract No. 92MR067A
 ATTACHMENT 7
 4/1/92

0935/37-S3

-59-

POSITION RESULTS STATEMENT

DESCRIPTION/RESPONSIBILITY:	AUTHORITY
- - Preventive and corrective maintenance on the Rolm 9751 switch, including software/firmware upgrades.	1
- - Provide back-up to the Telecommunications Analyst in system management functions.	1
- - Maintain cable plant, including moves, adds, and changes to phone and network cabling as well as documentation updates.	1
- - Troubleshoot network problems with Network technicians.	1

- - Be on call for after hours problems. 1
- - Be available to work varied shifts.
- - Keep Telecommunications Operation informed of all pending maintenance issues. 1
- - Complete service reports and work request paperwork for all call activity. 1
- - Cross-train others on the technology. 1
- - Documented procedures for the position. 1

1=AUTHORITY TO MAKE DECISION WITHOUT ADVISING SUPERVISOR.
 2=AUTHORITY TO MAKE DECISION ADVISING SUPERVISOR WITHIN 2-3 DAYS.
 3=REQUIRES APPROVAL PRIOR TO MAKING DECISION.

0935/37-S3 -60- Contract No. 92MR067A
 ATTACHMENT 7
 4/1/92

POSITION RESULTS STATEMENT
 EMPLOYEE PROFILE

HABITS - WHAT USUAL MANNER OF BEHAVIOR IS EXPECTED FOR A PERSON TO BE SUCCESSFUL IN THIS POSITION?

- - Organized
- - Professional
- - Detail oriented
- - Courteous
- - Punctual
- - Team player
- - Perpetual learner

SKILLS - WHAT ABILITIES ARE NECESSARY TO PERFORM IN THIS POSITION?

- - Strong technical skills (problem solving and analysis).
- - Excellent interpersonal skills.
- - Good communication skills, both written and verbal.
- - Ability to train others.
- - Ability to keep abreast of new advances in the field of Telecommunications/Networking.
- - Ability to use advanced network analysis test equipment.

EXPERIENCE/KNOWLEDGE - WHAT PREVIOUS EXPERIENCE/KNOWLEDGE IS NECESSARY TO BE SUCCESSFUL IN THIS POSITION? WHAT ADDITIONAL EXPERIENCE/KNOWLEDGE IS PREFERRED? EDUCATIONAL REQUIREMENTS?

- - Two (2) year Technical Degree or equivalent experience.
- - Factory training on Rolm 9000 series switched and associated software, to include phone mail.
- - Knowledge of wiring Standards and Codes.
- - Two (2) years repair experience on above.
- - Two (2) years Cable Plant Maintenance experience.
- - Knowledge of networking architectures and cabling.

VALUES - WHAT CORPORATE VALUES SHOULD A PERSON HOLD TO BE SUCCESSFUL N THIS POSITION? WHAT PERSONAL VALUES WILL MAKE THIS PERSON A ROLE MODEL OR LEADER FOR OTHERS ATE GCI AND/OR IN THIS DEPARTMENT?

- - Team player
- - Positive attitude

0935/37-S3 -61- Contract No. 92MR067A
 ATTACHMENT 7
 4/1/92

- - Role models Declaration of Principles
- - Dependable
- - Friendly
- - Honest
- - Committed

POSITION TITLE
Telecommunications Technician
Cable Plant

DEPARTMENT
Network Operations

SUPERVISOR TITLE
Network Operations Supervisor

COMPANY
GC1

LOCATION
BP ANC HQB

PURPOSE OF THE POSITION:

To maintain all inside cabling at BPXA Anchorage Headquarters building to include the telephone and computer networks. To provide assistance to the Telecommunications and Network technicians when required.

IF YOU ARE SUCCESSFUL IN YOUR POSITION, WHAT MEASURABLE RESULTS WILL:

THE CUSTOMER OBSERVE?

- - All moves, adds, or changes are completed in five (5) working days.
- - No unresolved customer problems.
- - All interactions are courteous and friendly.

FELLOW EMPLOYEES OBSERVE?

- - A team spirit and willingness to help wherever required.
- - Cross-training to spread resources over a broader base.
- - Accurate and complete paperwork.
- - Assistance in trouble-shooting network problems.

UPPER MANAGEMENT OBSERVE?

- - All service levels are met, including response times and facilities availability.
- - Proper notification in the event escalation is required.
- - Zero unresolved customer problems.

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

0935/37-S3

-62-

POSITION RESULTS STATEMENT

DESCRIPTION/RESPONSIBILITY:	AUTHORITY
- - Trouble shoot and repair telephone and network cabling problems.	1
- - Complete moves, adds, and changes to cabling.	1
- - Assist other technicians as needed.	1
- - Tap, splice, or otherwise maintain fiber optic cable.	1
- - Travel to other locations in Anchorage and maintain telephone/network cabling.	1
- - Update cable records manually or in the telemanagement system.	1
- - Ensure all work is up to current wiring standards and codes.	1
- - Work varied schedules as required.	1
- - Other duties as assigned by supervisor.	1

1=AUTHORLTY TO MAKE DECISION WITHOUT ADVISING SUPERVISOR.

2=AUTHORLTY TO MAKE DECISION ADVISING SUPERVISOR WITHIN 2-3 DAYS.

3=REQUIRES APPROVAL PRIOR TO MAKING DECISION.

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

0935/37-S3

-63-

POSITION RESULTS STATEMENT
EMPLOYEE PROFILE

HABITS - WHAT USUAL MANNER OF BEHAVIOR IS EXPECTED FOR A PERSON TO BE SUCCESSFUL IN THIS POSITION?

- - Team Player
- - Professional
- - Organized
- - Punctual
- - Conscientious
- - Neat
- - Courteous
- - Detail Oriented

SKILLS - WHAT ABILITIES ARE NECESSARY TO PERFORM IN THIS POSITION?

- - Strong technical skills
- - Good interpersonal skills
- - Good communication, including verbal and written
- - Ability to train others
- - Self learner

EXPERIENCE/KNOWLEDGE - WHAT PREVIOUS EXPERIENCE/KNOWLEDGE IS NECESSARY TO BE SUCCESSFUL IN THIS POSITION? WHAT ADDITIONAL EXPERIENCE/KNOWLEDGE IS PREFERRED? EDUCATIONAL REQUIREMENTS?

- - 5 years Journeyman level experience in Inside Cable Plant Maintenance.
- - Knowledge of wiring standards and codes.
- - Knowledge of computer networking.
- - Fiber optic cable experience.
- - Computer literate.
- - Knowledge of Data Communications.

VALUES - WHAT CORPORATE VALUES SHOULD A PERSON HOLD TO BE SUCCESSFUL IN THIS POSITION? WHAT PERSONAL VALUES WILL MAKE THIS PERSON A ROLE MODEL OR LEADER FOR OTHERS AT GCI AND/OR IN THIS DEPARTMENT?

- - Team player
- - Positive attitude
- - Role models Declaration of Principles

Contract No. 92MR067A

ATTACHMENT 7

4/1/92

0935/37-S3

-64-

- - Dependable
- - Friendly
- - Honest
- - Committed

2.0 AFTER HOURS SUPPORT PLAN

1. POLICY

GCI shall provide 24 hour-7 day a week response for serious network problems. Network Operations will provide a duty roster to BPXA security.

a. PROCEDURES

AFTER HOURS SUPPORT

All after hours requests for service route to security at 564-5894. Security is provided procedures for after hours calls , based on major and minor alarms from the Badger System. Security notifies the appropriate on call technician who responds to the call. In the event contact cannot be made, the appropriate supervisor is notified.

If contact with the supervisor cannot be made, the Telecommunications Manager is notified. If the on call technician is unable to resolve the problem within 2 hours, the appropriate supervisor is notified, and the problem escalated.

b. ESCALATION PLAN

The technician on call will follow the published escalation plan in the event that the problem cannot be resolved.

Contract No. 92MR067A

ATTACHMENT 7

4/1/92

0935/37-S3

-65-

3.0 REPORTING

- 3.1 Daily Incident
- 3.2 Weekly Summary
- 3.3 Monthly Summary
- 3.4 Quarterly Summary
- 3.5 Annual Report

TO BE WRITTEN

0935/37-S3

-66-

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

4.0 NETWORK OPERATIONS PLAN

TO BE WRITTEN

0935/37-S3

-67-

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

5.0 TELECOMMUNICATIONS OPERATIONS PLAN

TO BE WRITTEN

0935/68-S3

-68-

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

6.0 ENGINEERING

TO BE WRITTEN

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

0935/69-S3

-69-

7.0 SECURITY PLAN

TO BE WRITTEN

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

0935/70-S3

-70-

8.0 PROCEDURES

- 8.1 Scheduling Downtime
- 8.2 Escalation Plan
- 8.3 Change Management

ALL ARE TO BE WRITTEN

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

0935/71-S3

-71-

9.0 DISASTER RECOVERY PLAN

TO BE WRITTEN

0935/72-S3

-72-

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

10.0 VENDOR MANAGEMENT

TO BE WRITTEN

0935/73-S3

-73-

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

11.0 SAFETY PLAN

TO BE WRITTEN

0935/74-S3

-74-

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

12.0 QUALITY REVIEW MEETINGS

TO BE WRITTEN

0935/75-S3

-75-

Contract No. 92MR067A
ATTACHMENT 7
4/1/92

COMPENSATION SCHEDULE

I. FIXED COMPENSATION SCHEDULES

Operator shall pay Contractor for services based on the following fee schedules for the Statement of Work.

Schedule A - Table 1.1 thru 1.3 - Salaried Personnel Expenses
Schedule A - Table 2.1 - Hourly Personnel Expenses

The fees are based on a staff level determined by the work load. There will be an increase in positions as Contractor assumes the work from the Operator during the transition period. The fees set forth in the Schedules are firm for the first year of the Contract and are inclusive of all profit and General and Administrative expenses (G&A), general corporate insurance costs for coverage in accordance with ATTACHMENT 2 and any and all other non-reimbursable costs. The fees also include profit for any related business, affiliates and subsidiaries. Salaries include straight time, overtime and holidays along with the wages, payrolls taxes, fringe benefits and Worker's Compensation Insurance for Contractor personnel. Hourly rates include all direct and indirect labor costs.

II. REIMBURSABLE COSTS

Operating Expense items for other than salaries and wages shall be reimbursed at cost plus 5% for budgeted services under this Agreement.

Schedule B - Table 1.1 - Monthly Operating Expenses
Schedule C - Table 1.1 - Variable Operating Expenses

1. Costs shall be verified by documentation (i.e. purchase orders, invoices for payment, check for payment, etc.) as may be required by the Operator.
2. Reimbursement for third party subcontracts shall be at the actual net direct cost in connection with all subcontracts with consultants, temporary personnel, contracts personels and/or agents, made with the prior written approval of Operator's Technical Representative. Costs for subcontractors shall be verified by documentation as per above.

0935/76-S3

-76-

3. Reimbursement for actual cost of air transportation and reasonable travel expenses as approved by Operator's Technical Representative. Contractor's actual cost shall not exceed the cost of coach/economy class airfare. All such reimbursable costs, in excess of twenty-five dollars (\$25.00), must be substantiated with receipts.

III. NONREIMBURSABLE COSTS

Notwithstanding anything to the contrary elsewhere herein, the following costs and/or expenses, if any, of Contractor shall be understood to be "nonreimbursable costs":

1. The costs of salaries and travel expenses of: (i) executive officers and executive assistants; (ii) division, general, and corporate managers; and (iii) any other managers and their assistants, unless approved in writing in advance by Operator's Representative.
2. The costs of salaries and travel expenses of all administrative support personnel including, but not limited to, the following types of personnel; clerical, secretarial and professional personnel preparing or processing invoices or collecting data and costs for invoices, reproduction personnel, electronic data processing personnel, legal personnel, internal auditors, and all personnel involved with administering and handling Operator's audit claims, if any, against Contractor.

Note: The term "audit claims" shall include "accounting exceptions" taken by Operator against Contractor's regular invoices for Services.

3. Interest on capital employed or on borrowed money.
4. General and administrative expenses or overhead costs comprised of expenses relating to general company and all office operations (Home/Branch and/or Anchorage Offices) which shall include, but not be limited to the following: permanent office rent, telephone switchboard service, local telephone calls, use of permanent and/or temporary office furniture, machinery and equipment, utilities, maintenance of organization ready to serve, and all other expenses incurred by Contractor in conducting its business that are not

1030 Telcom Operations Total: 20,044	12,267	3,067	15,334	1,227	16,560	1,644	1,840
1031 Telcom Ops Superviso 6,536	4,000	1,000	5,000	400	5,400	536	600
1032 Tel Operator 4,052	2,480	620	3,100	248	3,348	332	372

-79-

Model Variables:		Data	*%	Sum	*%	Sum	*%	*%
Sum								
Class	Position	Monthly	GCI	GCI Loaded	Forecasted	GCI	Allocated	
BPXA Loaded		Salary	Benefits	Labor Cost	Overtime	Labor/OT	Overhead	Profit
Labor Price								
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1033 Comm Operator 4,052		2,480	620	3,100	248	3,348	332	372
1034 Video Operator 5,404		3,307	827	4,134	331	4,464	443	496
1040 Management Total: 10,178		6,229	1,557	7,786	623	8,409	835	934
1041 Outsource Manager 10,178		6,229	1,557	7,786	623	8,409	835	934
1042 Admin. Assistant								

-80-

ATTACHMENT 8 SCHEDULE A, TABLE 1.2

1.1 Fixed Compensation Schedule for Personnel

Model Variables:		Sum	20.00%	MRC/30	Sum
Class	Position	3PXA Loaded Labor Price	Additional GNS Svcs	Day Rate (Transition)	1st Year MRC
<S>	<C>	<C>	<C>	<C>	<C>
1000	Personnel Total (Anchorage)	90,834	11,118	3,398.40	101,952
1010	Network Operations Total:	33,378	4,085	1,248.77	37,463
	1011 Network Operations S	9,214	1,128	344.73	10,342
	1012 LAN Technician	6,181	757	231.27	6,938
	1013 WAN Technician	6,181	757	231.27	6,938
	1014 Telecommunications T	6,744	825	252.30	7,569
	1015 Telecommunications T	5,057	619	189.21	5,676
1020	Network Engineering Total:	27,234	3,333	1,018.91	30,567
	1021 Lead Engineer	9,531	1,167	356.59	10,698
	1022 Engineer	8,851	1,083	331.16	9,935
	1023 Engineer	8,851	1,083	331.16	9,935
1030	Telcom Operations Total:	20,044	2,453	749.92	22,498

-81-

<S>	<C>	<C>	<C>	<C>	<C>
1031	Telcom Ops Supervisor	6,536	800	244.53	7,336
1032	Tel Operator	4,052	496	151.61	4,548
1033	Comm Operator	4,052	496	151.61	4,548
1034	Video Operator	5,404	661	202.17	6,065
1040	Management Total:	10,178	1,246	380.80	11,424
	1041 Outsource Manager	10,178	1,246	380.80	11,424
	1042 Admin Assistant				

-82-

ATTACHMENT 8 SCHEDULE A, TABLE 1.3

1.1 Fixed Compensation Schedule for Personnel

<TABLE>

		Annual Escalation tied to Consumer Price Index					
Model Variables:		MRC x 12 mo	5%	5%	5%	5%	Sum
Class	Position	1st Year Total	2nd Year Total	3rd Year Total	4th Year Total	5th Year Total	Contract Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1000	Personnel Total (Anchorage)	1,223,425	1,284,779	1,348,826	1,416,267	1,487,080	6,760,377
1010	Network Operations Total:	449,557	472,103	495,637	520,419	546,440	2,484,156
	1011 Network Operations S	124,103	130,327	136,824	143,665	150,848	685,767
	1012 LAN Technician	83,256	87,432	91,790	96,380	101,199	460,056
	1013 WAN Technician	83,256	87,432	91,790	96,380	101,199	460,056
	1014 Telecommunications T	90,827	95,382	100,137	105,144	110,401	501,890
	1015 Telecommunications T	68,115	71,531	75,097	78,851	82,794	376,387
1020	Network Engineering Total:	366,807	385,203	404,405	424,625	445,857	2,026,897
	1021 Lead Engineer	128,373	134,811	141,531	149,607	156,038	709,359

</TABLE>

-83-

<TABLE>

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
	1022 Engineer	119,217	125,196	131,437	138,009	144,909	658,769
	1023 Engineer	119,217	125,196	131,437	138,009	144,909	658,769
1030	Telcom Operations Total:	269,972	283,511	297,644	312,526	328,153	1,491,807
	1031 Telcom Ops Supervisor	88,032	92,447	97,055	101,908	107,003	486,446
	1032 Tel Operator	54,580	57,317	60,174	63,183	66,342	301,596
	1033 Comm Operator	54,580	57,317	60,174	63,183	66,342	301,596
	1034 Video Operator	72,780	76,430	80,240	84,252	88,465	402,169
1040	Management Total:	137,088	143,963	151,139	158,696	166,631	757,517
	1041 Outsource Manager	137,088	143,963	151,139	158,696	166,631	757,517
	1042 Admin Assistant						

</TABLE>

-84-

ATTACHMENT 8

SCHEDULE A, TABLE 2.1

1.2 Hourly Labor Rates for Work Outside the SOW:

<TABLE>

Model Variables:		Data	25.00%	Sum	Sum	Sum	HC*2	ANC*1.47
Class		Monthly Salary	GCI Benefits	GCI Loaded Labor Cost	GCI Loaded Hourly Cost	GCI Profit	GCI Hourly (Anchorage)	GCI Hourly (North Slope)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
2000	Personnel - Anchorage:							
2010	Network Operations:							
	2011 Network Operations S	5,639	1,410	7,049	39.76	39.76	79.51	116.88
	2012 LAN Technician	3,783	946	4,729	26.67	26.67	53.34	78.41
	2013 WAN Technician	3,783	946	4,729	26.67	26.67	53.34	78.41
	2014 Telecommunications T	4,127	1,032	5,159	29.10	29.10	58.19	85.54
	2015 Telecommunications T	3,095	774	3,869	21.82	21.82	43.64	64.15

-93-

2020	Network Engineering:							
	2021 Lead Engineer	5,833	1,458	7,291	41.12	41.12	82.25	120.90
	2022 Engineer	5,417	1,354	6,771	38.19	38.19	76.38	112.28
	2023 Engineer	5,417	1,354	6,771	38.19	38.19	76.38	112.28
2030	Telcom Operations:							
	2031 Telcom Ops Supervisor	4,000	1,000	5,000	28.20	28.20	56.40	82.91
	2032 Tel Operator	2,480	620	3,100	17.48	17.48	34.97	51.40
	2033 Comm Operator	2,480	620	3,100	17.48	17.48	34.97	51.40
	2034 Video Operator	3,307	827	4,134	23.32	23.32	46.63	68.55
2040	Management:							
	2041 Outsource Manager	6,229	1,557	7,786	43.92	43.92	87.83	129.11

ATTACHMENT 8
 SCHEDULE B, TABLE 1.1

<TABLE>

--									
Model Variables:		Data	Data	Manual Calc.	Data	Data	5.00%	Auto Calc	Auto Calc

Class	Department/Vendor/Reference	Contract Start	Contract End	1991 Contract Months	NRC	MRC	GCI Overhead	Total MRC	1991 Projected

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
4000	Fixed Contracts Total:								
4010	Network Operations Total: 4011								
4020	Network Engineering Total: 4021								
4030	Telcom Operations Total: 4031								
4040	Other Total: 4041								

</TABLE>

ATTACHMENT 8
 SCHEDULE C, TABLE 1.1

1.1 Variable Operating Expenses:

<TABLE>

--								
Model Variables:		Data	Data	Data	5.00%	Auto Calc	Data	Estimate

Class	Department/Vendor	Start Date	End Date	Estimate MRC	GCI Overhead	Estimated PXA Charges	1991 GCI Approved \$	1991 Projected

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
5000	Fixed Contracts Total:							
5010	Network Operations Total: 5011							
5020	Network Engineering Total: 5021							
5030	Telcom Operations Total: 5031							
5040	Other Total: 5041							

</TABLE>

ATTACHMENT 9
 INCENTIVE PROGRAM

The following is language defining Contractor's Incentive Program for the Telecommunications Outsourcing Activity:

1.0 ESTABLISHMENT OF A USER BOARD

- Operator shall establish a Telecom User Review Board that will meet quarterly to review Contractor's performance under the Telecommunications Services Contract. The Board would be responsible for:
- Reviewing actual performance against response levels established in the Scope of Work - ATTACHMENT 6.
- Providing input on Contractor's quarterly goals and action plans.
- Providing a subjective evaluation of Contractor's performance during the past quarter.

The User Board will consist of four (4) voting Operator managers and one (1) non-voting officer or director from Contractor. It is anticipated that the Operator's Informed Buyer shall be one of the voting User Board members.

2.0 USER BOARD AGENDA

Contractor's Technical Representative shall be responsible for distributing a quantitative summary of the previous quarter's performance prior to the User Board Meeting along with a written summary of all action plans and goals identified for the upcoming quarter. During the Board meeting, members would provide verbal feedback and commentary on both Contractor's performance and action plans.

At the conclusion of the meeting the voting board members will subjectively evaluate Contractor's performance relative to each of the expectations defined in the Scope of Work. Evaluations would be made according to the following scale:

-97-

Rating - -----	Definition -----
5 - Exceptional	Exceptional is given for truly extraordinary performance with all objective/results being achieved in a very substantial way.
4 - Highly Effective	To achieve a Highly Effective rating the Contractor must meet and often exceed the demanding and challenging performance expectations defined in the Scope of Work.
3 - Effective	An Effective rating is provided to the Contractor for consistently meeting the performance expectations defined in the Scope of Work.
2 - Needs Improvement	A Needs Improvement rating means that the Contractor's performance is not fully effective or satisfactory. Any objectives that are given a Needs Improvement rating will require a full Action Plan be delivered to the Informed buyer for approval within 2 weeks of the Board meeting.
1 - Unacceptable	An Unacceptable rating requires that the Informed Buyer and appropriate Contractor's officer(s) immediately meet to discuss the performance shortfall, develop action plan(s) for resolution and meet monthly thereafter to assure that the performance shortfall has been resolved.

3.0 INCENTIVE BONUS

At the end of the year, the quarterly evaluations provided by the Board will be summarized and an Annual Performance Rating (APR) will be calculated as follows:

$$(\text{Actual "Points" Received} / \text{Total Points Available} + .30) = \text{APR}$$

Once the APR has been determined, the "Stretch" Incentive Bonus will be calculated according to the following formula:

$$\frac{1991 \text{ Budget (Non Personnel Related Expenses)} - 1991 \text{ Actual (Non Personnel Related Expenses)}}{\text{Annual Budget Savings}}$$

-98-

$$\text{Annual Budget Saving} * 50\% * \text{APR} = \text{Contractor's Incentive Bonus}$$

-99-

AMENDMENT NO. 03

TO

BP EXPLORATION (ALASKA) INC. CONTRACT NO. 92MR067A

THIS AMENDMENT No. 03, effective the 1st day of August, 1996, regardless of the date actually signed by the parties, is between BP EXPLORATION (ALASKA) INC., hereinafter referred to as "Operator", and General Communications, Inc. (Previously GCI NETWORK SYSTEMS), hereinafter referred to as "Contractor".

WHEREAS;

- A. By a Contract Agreement dated April 1, 1992, (Contract No. 92MR067A) entered into between Operator and the Contractor and hereafter referred to as "The Contract", terms were agreed as to the performance of telecommunication services for Operator.
- B. Operator and Contractor have agreed to migrate Anchorage, Prudhoe Bay Unit (PBU) and Milne Point Unit (MPU) telecommunications and network services to GCI.

In consideration of the mutual covenants and agreements hereinafter set forth, the parties hereto mutually agree as follows:

I. STATEMENT OF WORK

The scope of the Services shall in addition to Anchorage, include delivery of telecommunication and network services at Operators Prudhoe Bay Unit (PBU) and Milne Point Unit (MPU) facilities, and co-ordination of all activities associated with the transition of PBU and MPU telecommunication and network services to GCI.

Services include those specified in "Scope of Work", Attachment 6 of the Contract along with those specifically described in "Scope of Services", Attachment 10, of this Amendment.

During the term of this Amendment, and as part of the Scope of Services, a due diligence audit of all PBU and MPU telecommunication and network services will be conducted. The Parties agree to identify and discuss any additions or deletions to Services and adjust in good faith the Compensation referred to in Section 11, of this Amendment.

FS/1-SIs

II. COMPENSATION

PAYMENT FOR SERVICES

In consideration of the provision of the Services, Operator shall pay for the actual costs incurred by the Contractor in providing Services, on a cost reimbursement basis.

- 1. Attachment 8 of the contract is hereby deleted in its entirety and replaced by the following methodology:
 - a. The Parties agree that the contractual commercial arrangement shall be based on payment of Actual Costs associated with delivering Services. Actual Costs associated with providing the Services shall be comprised of Direct Costs and Allocated Costs. The following provisional rates shall be in effect from August 1, 1996 through December 31, 1996. A sample invoice is provided as Attachment 11.

Labor Cost (Straight time and overtime labor)	Actual Wages
Labor Cost Wage Benefits	24.75%
Other Direct Costs and allocated resources (applied to Direct Labor Costs)	10%
Margin (applied to all Direct Costs)	15%
 - b. Beginning January 1, 1997, the margin rate, benefits rate and cost and performance incentive shall change. A sample invoice is provided as Attachment 11 A.
 - (i) The margin of 15% shall be reduced to 12%
 - (ii) Balanced Business Scorecard (BBS) performance incentive fee shall be added to the compensation terms. Award of this performance incentive shall be based on the negative three (-3%) minimum and positive ten (10%), maximum ranges. For the purpose of invoicing accrual the fee shall

be billed at the mid-range between the percentages (6.5%), and reconciled at the end of the year based on Contractors actual performance.

FS/2-SIs

- (iii) Vacation and holiday pay shall be incorporated into the benefit percent of 24.75%, and as a result shall increase to 37%.
 - (iv) During the period of January 1, 1997 through December 31, 1997 Cost savings risk/reward, as determined by over or under-running the 1997 agreed to Budget shall be shared by the Contractor and Operator on a 70/30% basis, respectively for Prudhoe Bay and Milne Point locations. Anchorage budget over/under run shall be shares in a 60/40% basis respectively.
- c. Payments representing incentives referred to in Attachment 9 of the Contract will be paid in arrears no later than ninety (90) calendar days after the end of 1996 by which time final adjustments for Actual Costs will also be completed and will apply only to the Anchorage workscope in existence prior this Amendment.
 - d. Third party contractor and capital costs shall be reimbursed to Contractor at cost plus 5% for budgeted services under this Agreement.
 - (i) Costs shall be verified with documentation as may be required by Operator.
 - (ii) Reimbursement for third party subcontracts shall be at the actual direct cost in connection with all subcontracts, temporary personnel, contract personnel and/or agents, made with the prior written approval of Operator. Costs for subcontractors shall be verified by documentation as per above.
 - e. In the event Operator's charter is not available and travel is required, cost of air transportation, as approved by Operator, shall be reimbursement at actual cost without the 5% described in II. D.
 - f. Project Activity and Just in Time Engineering Compensation Terms.
 - (i) Just in Time Engineering labor costs for project or other activities out of the general "Scope of Services", as described in Attachment 10, shall be billed according to Attachment 11 & 11 A.

FS/3-SIs

- (ii) Project activity shall not be carried out without the prior written approval of Operator.

2. INVOICING

- a. The Contractor shall in respect of its remuneration for the Services submit its invoices in accordance with the provisions of a Contract subject to the following:
 - (i) Invoices submitted by the Contractor will show the Margin, BBS and applicable costs.
- b. The basis of payment shall be monthly, billed and paid in arrears, based upon Services delivered. The Contractor shall submit the relevant invoice no later than fifteen (15) calendar days after the end of the relevant month or as otherwise mutually agreed.

III. TERM OF AGREEMENT

1. TERM

- a. This Amendment shall be effective as of August 1, 1996, and performance thereunder shall continue until the earlier of: a) execution of a Contract between Operator and the Contractor for the provision of Services and mutually agreed to by the Parties; or b) termination by Operator to the extent permitted in this Amendment and the Contract.
- b. Notwithstanding Sub-Section 111.1a if agreement to a Contract cannot be reached by December 31, 1997 the terms and conditions of the Contract and this Amendment shall continue, until such time as Services can be transferred back to Operator or

Operator's designee.

2. TERMINATION

- a. In the event of a Contract termination, partial termination or failure to pay costs incurred for transition of Services provided in this Amendment, the Contractor shall be entitled to the following compensation detailed below.

FS/4-SIs

- (i) In the event of a termination Operator shall pay to the Contractor (i) Stranded Costs; (ii) Residual Value of all assets relating solely to the terminated Contract and this Amendment; (iii) Margins with respect to (1) and (ii) above; and (iv) payment pursuant to the relevant Contract for Services rendered prior to the termination date.

Stranded Costs shall mean all costs, obligations, commitments and claims not otherwise recoverable (subject to Contractor's duty to mitigate) that the Contractor may have in good faith reasonably undertaken or incurred in connection with the relevant workscope associated with transitioning any additional costs incurred by the Contractor in giving effect to the agreed transition plan of the Services unless expressly excluded in writing by Operator.

- (ii) Notwithstanding the obligations the Contractor shall consult with Operator and give in writing an estimate of the extent of Operator's exposure for the foregoing obligations, commitments, claims and expenses to Operator when new or in the event of termination.

The obligations with respect to payments of the Residual Value shall be subject to the ability of the Contractor to transfer to Operator free of additional charge the interests in the assets for which payment of the Residual Value is to be provided as stipulates.

- (iii) Costs related to early termination of commitments extending beyond the termination date, subject however to the requirement that Contractor shall have obtained, in all long term supplier of subcontract arrangements, provisions for such early termination or transfer without penalty, unless otherwise agreed in advance by BP.
- (iv) Payment of up to a maximum of three months of costs with respect of the Contractor's employees, to the extent that the Contractor has been unable to terminate the employment of, lay-off or otherwise use or reallocate such employees.

IV. SPECIAL PROVISIONS

1. EMPLOYMENT OF FORMER BPXA EMPLOYEES

FS/5-SIs

The Contractor will use a best effort to hire qualified BP employees who will be displaced by this Agreement. This best effort will include but not be limited to, employee presentations concerning GCI opportunities and interviewing all interested Operator's personnel displaced by this agreement.

FS/6-SIs

2. SECURITY

Attachment 5 is deleted in its entirety and replaced with ATTACHMENT 5 (REVISED), North Slope Security Procedures, attached hereto and made a part hereof.

3. TRAINING

GCI shall conduct all necessary training as identified by Operator's new hire screening and orientation programs as well as any on-going regular training as Operator may require. Specialized training requested by Operator, that is beyond that required to meet the minimum job classification needs, shall be reimbursed to Contractor by Operator at the actual cost thereof including related expenses such as travel and subsistence in accordance with Contractor's policy provided, however, that no air travel associated with training will be reimbursed without the written approval of Operator Technical Representative. Operator may, at its sole discretion, elect to

provide such training. Costs of any discretionary training, not specified or required for performance of Services hereunder shall be considered non-reimbursable.

4. HEALTH, SAFETY AND ENVIRONMENTAL MANAGEMENT SYSTEM

Contractor shall comply with the requirements and procedures as set forth in Attachment 12, Operator's Standard HSE Contract Clauses and OIAS Expectations, attached hereto and made a part hereof.

5. NOTICES

Any notice which is required to be given by either Party under the Contract shall be deemed to have been duly given if left at or sent by certified mail or facsimile transmission (confirmed by letter sent by certified mail) to each Party's office as set out below as an address to which notices, shall be sent or such other address as a Party may specify in writing:

BP Exploration - Alaska (BPXA)
900 E. Benson Blvd.
Anchorage, AK. 99504
Telephone: (907) 564-4183
Facsimile:
Contact: Colin McDonald - Technical Issues
Telephone: (907) 564-4927
Facsimile: (907) 564-5587
J. H. Cox - Commercial Issues

FS/7-SIs

Contractor: General Communication, Inc. (GCI)
2550 Denali St., Suite 1000
Anchorage, AK. 99503
Telephone: (907) 777-6623
Facsimile: (907) 265-5308
Contact: Marsha E. Burns
Group Manager, Enterprise Services

Any such notice shall be deemed to have been made to the other Party four (4) days from the date of posting (if by letter) and if by facsimile transmission on the recipients next business day after the sender has obtained a "good" transmission slip.

6. WORKING INTEREST OWNERS

Incorporate as Attachments 1D "Current" Working Interest Owners for Milne Point, attached hereto and made a part hereof.

V. STANDARD TERMS AND DEFINITIONS

1. Definitions

- a. "Operator" shall mean BP Exploration (Alaska) Inc. and, where the context so admits, shall include its employees and agents.
- b. "Contractors" shall mean that company or entity set forth and named in the preamble to this Agreement and, where the context so admits, shall include its employees, agents and subcontractors.
- c. "Parties:", shall mean both Operator and the Contractor.

2. GOVERNING LAW

This Amendment shall be governed by and construed under the laws of the State of Alaska (without reference to any conflicts of law rules), and any dispute shall be litigated in any court in the City of Anchorage, State of Alaska, to the exclusion of any other jurisdiction or forum.

Except as specifically amended herein, all terms and conditions of Contract No. 92MR067A, dated April 1, 1992 shall remain in full force and effect and said Contract together with Amendment Nos. 1 through 3 shall constitute the entire agreement between the parties with regard to the matters covered herein.

FS/8-SIs

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 03.

CONTRACTOR
GCI NETWORKS SYSTEMS

OPERATOR
BP EXPLORATION (ALASKA) INC.

By:

By:

Title: -----
Group Manager
Enterprise Services
Date: -----

Title: CONTRACTS ENGINEER, ALASKA

Date: -----

FS/9-SIs

ATTACHMENT 1D
(Revised)

MILNE POINT UNIT WORKING INTEREST OWNERS

1. BP Exploration (Alaska) Inc.
900 East Benson Blvd.
(P.O. Box 196612, 99519-6612)
Anchorage, Alaska 99508
2. BP Exploration and Oil, Inc.
900 East Benson Blvd.
(P.O. Box 196612, 99519-6612)
Anchorage, Alaska 99508
3. OXY USA, Inc.
P.O. Box 50250
Midland, TX 79710-0250

FS/10-SIs

ATTACHMENT 5
(Revised)

NORTH SLOPE HEALTH SAFETY AND SECURITY PROCEDURES

I. STANDARD OPERATING PROCEDURES

Standard Operating Procedures have been prepared for the general safety and welfare of all personnel working in the Prudhoe Bay area at both operating fields (Western Operating Area/Endicott Operating Area/Milne Point Unit). Contractor will implement and maintain these procedures as part of its Operator-approved safety program. It is understood that some of these requirements are more stringent than the state or federal safety regulations.

In order to promote safe work practices, Contractor shall ensure that Operator's Contractor Health, Safety, & Environmental Guidelines (CHSEG), as amended from time to time, shall be readily accessible to all Contractor employees at the work site. Contractor's Management shall ensure that all contractor employees are cognizant of and in full compliance with policies and procedures outlined in Operator's CHSEG.

II. BP EXPLORATION SAFE PRACTICES MANUAL

As an aid to Contractor, Operator will provide Contractor with the BP Exploration Safe Practices Manual in addition to the CHSEG. Contractor will comply with all phases of the safe work practices stated therein as same may be amended from time to time. In the event of an anomaly between the State of Alaska Department of Labor Occupational Safety and Health Rules and regulations and/or with the Federal Occupational Safety and Health Standards as defined under the William Steigner Occupational Safety and Health Act of 1970, the stricter of the applicable regulations shall apply.

III. SECURITY

Contractor's employees must obtain photo identification badges from Operator's North Slope Security office in order to gain access to the Western Operating Area, Endicott Operating Area and/or Milne Point Unit of the Prudhoe Bay Field. In the Western Operating Area badges will be issued to employees in person at the Base Operations Center Annex I Badging Office.

WESTERN OPERATING AREA:

Security Department
BP Exploration (Alaska), Inc.
P.O. Box 196612, BOC, Prudhoe Bay
Anchorage, Alaska 99519-6612
(907) 659-3101 ext. 4441

In the Endicott Operating Area badges will be issued to employees in person at the Endicott Base Operating Center Security Office.

ENDICOTT OPERATING AREA/MILNE POINT UNIT:

Security Department
BP Exploration (Alaska), Inc.
P.O. Box 196612, BOC, (Endicott or Milne as appropriate)
Anchorage, Alaska 99519-6612
(907) 659-6500, ext. 6516 Endicott
(907) 659-6300, Milne Point

Contractor is responsible for awareness and adherence by its employees to Operator's camp rules and regulations regarding:

- Firearms, trapping and feeding of wildlife
- Clinic
- Drugs/alcohol/smoking
- Driving and fueling regulations
- Emergency response procedures

IV. LAWS, RULES, AND REGULATIONS

Contractor shall comply, but not by way of limitation, with the State of Alaska Department of Labor Occupational Safety and Health Rules and Regulations and/or Occupational Safety and Health Act of 1970 and will ensure that its employees, servants, agents, and subcontractors observe and comply with such laws, rules, regulations, and procedures and do not engage in activities objectionable to local or governmental authorities.

V. SAFETY STANDARDS

Contractor shall conform to the highest standards of safety practices in performance of the work and shall organize and vigorously maintain a comprehensive safety

program covering all phases of the work and shall conform to all safety practices and requirements of Operator as set forth in the CHSEG. Contractor warrants that any and all work performed and/or equipment delivered to Operator or Operator's designee under this Agreement shall comply with all requirements of the State of Alaska Department of Labor Occupational Safety and Health rules and regulations and with the Federal Occupational Safety and Health Standards Act of 1970, as the same may be amended from time to time and including all regulations adopted pursuant to such Act, and shall comply with all the requirements of any applicable health, safety, or environmental statute or regulations adopted pursuant to such Act. Contractor further warrants that it shall comply with all the requirements of any applicable health or safety statute or regulation of any state or local government agency having jurisdiction in the location to which such equipment is to be shipped or such work is to be performed pursuant to this Agreement. Contractor shall be solely responsible for compliance with all such laws or regulations without relying upon enforcement thereof by, or instruction of, Operator.

VI. GOVERNMENT INSPECTIONS

Contractor agrees to promptly report in full to Operator any safety, health, or environmental inspection by state or federal governmental authorities. Contractor shall coordinate all contacts with said agencies with Operator prior to that contact. All on-site safety inspections by state or federal government inspectors will be coordinated through Operator. Contractor will immediately notify Operator when an inspector arrives on-site.

VII. REQUIRED CONTRACTOR EMPLOYEE SAFETY GEAR/ARCTIC EQUIPMENT

Contractor, without otherwise limiting its full responsibilities,

specifically agrees to furnish and/or require its employees to have all the necessary protective clothing and protective equipment.

1. SAFETY-TOED FOOT GEAR

All Contractor employees working in an area where safety-toed foot gear is required must wear safety-toed gear with a minimum 1/2" heel which otherwise is in compliance with ANSI Specification Z41-1.

2. HARD HATS AND SAFETY GLASSES

All Contractor personnel will wear approved ANSI Standard Z89.1 hard hats and approved ANSI Standard Z87.1 safety glasses with side shields in all locations where Operator has indicated such are to be worn.

3-S2

3

Contract No. 92MR067A
REVISED ATTACHMENT 5

3. ARCTIC CLOTHING

All Contractor personnel reporting to work at Operator's job site shall report equipped with arctic clothing adequate for the working environment to which they are assigned. Such required clothing shall include, but not be limited to the following:

Clerks and others who are seldom required to go out of doors;

Insulated parka, lined gloves, arctic pacs with liners;

Personnel having frequent occasion to go out-of-doors, but who would not have extended work assignments out-of-doors;

Insulated parka, Balaclava wool cap, lined gloves, safety-toed arctic pacs with liners, safety-toed insulated shoes

All others:

Insulated parka and insulated pants (may be substituted for insulated coveralls) insulated coveralls, Balaclava wool cap, lined gloves, polar mittens, face mask, safety-toed arctic pacs w/liners or bunny boots, safety-toed insulated shoes.

Fire Retardant Clothing is required as applicable per the North Slope Safety Handbook.

VIII. ADDITIONAL SPECIAL PURPOSE EQUIPMENT

Unless otherwise specified in writing by Operator's administrative representative, Contractor shall provide employees with any additional safety equipment which would be required for the work to be performed. Such equipment may include, but will not be limited to, the following: respiratory protection equipment administered under a comprehensive respiratory protection program, goggles, face shields, special clothing, flotation equipment and survival suits as equipped by Operator's safety requirements.

IX. RESPONSIBILITY FOR PROVIDING GEAR

The providing of the gear specified in Paragraph VII above, unless expressly stated otherwise, shall be the responsibility of Contractor and shall not be reimbursed by Operator.

4-S2

4

Contract No. 92MR067A
REVISED ATTACHMENT 5

X. CONTRACTOR RADIO REQUIREMENTS

If Contractor's work requires its employees to be in a remote location, or any location which does not have a telephone access to Operator's main communications center, Contractor shall be required to obtain from Operator, proper radio communication equipment to provide immediate contact with Operator's base communications center. All Contractors shall be required to have immediate access to Operator's base communications center operator as a condition of working for Operator.

Operator shall provide to Contractor, at Operator's expense, either hand-held, or vehicle installed radio equipment, which is intended to provide immediate contact to Operator's base communications center operator in case of emergencies. The Supervisor, PAC, or his designee, will determine the type(s) and quantities of radios to be issued to Contractor. Contractor shall be required, when radios are issued, to sign an issue

document. When Contractor's work has been completed, all radios must be returned to the Supervisor, PAC, or his designee. If all radios are returned, Contractor shall receive a completed copy of the issue document. If all issued radios are not returned, Contractor shall be responsible for replacement costs. Replacement costs may be deducted from final invoice payment.

5

ATTACHMENT 1 0

SCOPE OF SERVICES

GCI SCOPE OF SERVICE

1. Telecommunications Services

1.1 Voice/Messaging Equipment and Applications

1.1.1 Manage and perform all telephone station equipment MAC requests.

1.1.2 Manage and maintain telephone/PBX cable plant.

1.1.3 Troubleshoot PBX/voice mail equipment and service problems.

1.1.4 Provide PBX/voice engineering services.

1.2 Local Access Services

1.2.1 Manage and coordinate all LEC Alaska access interconnections and services.

1.3 Video Equipment and Applications

1.3.1 Maintain video equipment.

1.3.2 Provide Alaska coordination for boardroom video conference facility usage.

1.3.3 Troubleshoot video service problems.

1.3.4 Provide video engineering services.

2. Network Services

2.1 Private Transmission Facilities

2.1.1 Monitor and manage all North Slope private transmission utility facilities.

2.1.2 Troubleshoot transmission equipment and service problems.

2.1.3 Provide transmission engineering services.

2.2 WAN Services

2.2.1 Troubleshoot Alaska and regional WAN circuits and network services per regional request or SSC dispatch.

2.2.2 Perform MAC requests per regional request or SSC dispatch.

2.2.3 Monitor and manage designated WAN services (e.g., Newbridge 4602) and provide management backup for the Houston NMC.

2.2.4 Provide local and regional WAN engineering services.

2.2.5 Provide enterprise WAN engineering services as agreed.

1-S3

1

Contract No. 92MR067A
REVISED ATTACHMENT 10

MONTH	POSITION	EMPLOYEE NAM	RATE	HOURS	SALARY	HOURS	COSTS	BENEFITS	COSTS	OVERHEAD	MARGIN

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
<C>											
Personnel Total:					28,436	48.00	1,519	7,414	37,369	2,996	6,055
48,940											
Telecommunications on Site Staff Total:					28,436	48	1,519	7,414	37,369	2,996	6,055
48,940											
111	Network Analyst			173.3	4,530	10.00	392	1,218	6,140	492	995
7,628											
112	LAN/WAN Technician			133.8	3,052	8.00	274	823	4,149	333	672
5,154											
113	LAN/WAN Technician			173.3	2,936	4.00	102	752	3,789	304	614
4,707											
114	Cable Plant Technician			166.3	2,320	4.00	84	595	2,998	240	486
3,725											
115	Telecommunications Analyst			173.3	3,908	8.00	271	1,034	5,213	418	845
6,475											
116	Administrative Operator			151.8	2,143	3.00	64	546	2,753	221	446
3,420											
117	Communications Operator			173.3	2,320	1.00	20	579	2,920	234	473
3,627											
118	Staff Engineer			124.3	2,987			739	3,726	299	604
4,629											
</TABLE>											
1											
<TABLE>											
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
<C>											
119	Switchboard Operator			173.3	1,977	2.00	34	498	2,509	201	407
3,117											
120	Senior Engineer			27.8	951			235	1,186	95	192
1,473											
121	LAN/WAN Technician			56.3	1,312	8.00	280	394	1,985	159	322
2,466											
Just In Time (JIT) Staff Total:				31.50							2,520
131	JIT Engineer		80.00	28.00							2,240
132	JIT Engineer		80.00	3.50							280
</TABLE>											

2

SCHEDULE 11A

ANCHORAGE TELECOM INVOICE
MARCH

Invoice sample

Invoice Number: 100080
 Invoice Date: April 5, 1997
 Customer Name: BP Exploration (Alaska) Inc.
 Accounts Payable Department
 900 E. Benson
 P.O. Box 196612
 Anchorage, Alaska 99519-6612
 BPXA Contract Number: 92MR067A

Monthly Summary

SCHEDULE	DESCRIPTION	AMOUNT
A	Labor	\$56,633.33
B	Contract Support Agreements	\$ 5,698.65
B	Handling Fee	\$ 284.92
	Total Costs in Target	\$62,616.90
A	Project Costs	\$20,453.17
	Total Invoice Amount	\$83,070.07

ATTACHMENT NO. 11A

SCHEDULE A

ANCHORAGE
IN BUDGET LABOR CHARGES

Facility	Cost Center	Gen	Sub	Acct	Total
ANCHORAGE	IP0200	9975	001	117	29,417.20
ANCHORAGE	IV0200	9975	001	117	1,342.58
ANCHORAGE	IW0200	9975	001	117	942.03
ANCHORAGE	IZ0200	9975	001	117	24,931.52
TOTAL					\$56,633.33

ANCHORAGE
PROJECT COSTS

Facility	Cost Center	Gen	Sub	Acct	Total
ANCHORAGE	330236	9937	180	530	43.93
ANCHORAGE	330237	9937	180	530	43.93
ANCHORAGE	330245	9937	180	530	43.93
ANCHORAGE	4P0722	9937	100	102	61.32
ANCHORAGE	684999	9345	060	390	674.56
ANCHORAGE	730809	9320	100	102	4,400.00
ANCHORAGE	730812	9320	300	101	9,307.89
ANCHORAGE	730820	9320	100	101	560.45
ANCHORAGE	A82GC1	9901	200	117	619.28
ANCHORAGE	F03145	9942	100	117	3,179.37
ANCHORAGE	H40173	9975	001	117	702.95
ANCHORAGE	K00201	9901	200	117	183.97
ANCHORAGE	K00207	9901	200	117	61.32
ANCHORAGE	K70072	9942	200	117	306.62
ANCHORAGE	U39214	9942	100	117	263.61
TOTAL					\$20,453.17

ATTACHMENT NO. 11A

SCHEDULE B

ANCHORAGE

DESCRIPTION	COST CENTER	GEN SUB	ACCT	TOTAL
Contract Support	IPO200		120	\$5,698.65
Handling Fee	IPO200		120	\$ 284.92
	Total			\$5,983.57

ATTACHMENT NO. 11A

PIVOT

Sum of TOTAL

Facility	Cost Cent	Gen	Sub	Acct	Total
ANC	330293	9337	182	117	43.93463703
	337050	9320	100	102	2514.283192
	340061	9337	180	530	439.3463703

	4N0153	9320	100	101	395.4117333
	4P0722	9320	100	102	4415.326581
	684999	9345	060	390	61.32398029
	730809	9320	100	102	640
	730812	9320	300	101	13949.77977
	730820	9320	100	101	3713.608268
	731135	9335	030	355	429.267862
	880007	9335	030	001	367.9438817
	A63GC2	9901	200	117	245.2959212
	A82GC1	9901	200	117	619.2786062
	F02443				3841.201084
	F03145	9942	100	120	193.6152804
	F81100	9975	001	117	747.3979769
	IP0200	9975	001	117	23189.5953
	IV0200	9975	001	117	4673.36703
	IV0202	9975	001	117	464.4589546
	IW0200	9975	001	117	2047.606994
	IZ0200	9975	001	117	39715.63398
	IZ0200	9975	001	117	960.8526006
	K00201	9901	200	120	61.32398029
	K70072	9942	200	117	858.5357241
	U39030	9942	100	120	122.6479606
MPU	330179	9335	030	355	146.1471106
	330288	9901	100	120	875.9084109
	337071	9335	030	355	87.59084109
	U38712	9942	100	120	116.66

1

	U39030	9942	100	117	8020.44424
				120	21532.02895
WOA	330179	9335	030	335	182.7341578
				355	2647.295148
	337026	9335	030	355	595.9686094
	337050	9320	100	102	17036.64204
	337054	9335	030	335	121.8227718
				355	437.2144962
	337062	9335	030	335	182.7341578
				355	1238.600737
	337067	9335	030	355	126.5151383
	337069	9335	030	335	213.1898507
	337070	9335	030	335	121.8227718
	337071	9335	030	355	419.799216
	337900	9335	030	335	1979.620042
	339043	9900	070	785	491.5253895
	340067	9337	182	117	548.2024733
	347026	9335	030	335	121.8227718

2

<TABLE>

ATTACHMENT NO. 11A

Emp No	Name	Facility	Cost Center	Gen	Sub	Acct	Wo Num	Task	Time Svc	Work	Hours	Regular	OT
Blended	TOTAL								Type	Date			
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
G6369	Barton	ANC	IP0200	9975	001	117	97302883	01	REG	4/1/97	7.	23.59	35.38
0.00	165.10												
	AK												
G6369	Barton	ANC	IP0200	9975	001	117	97302883	01	REG	4/2/97	8.	23.59	35.38
0.00	168.00												
	AK												
G6369	Barton	ANC	IP0200	9975	001	117	97302883	01	REG	4/3/97	6.	23.59	35.38
0.00	141.52												
	AK												
G6369	Barton	ANC	IP0200	9975	001	117	97302883	01	REG	4/4/97	6.	23.59	35.38
0.00	141.52												
	AK												
G6369	Barton	ANC	IP0200	9975	001	117	97302883	01	REG	4/7/97	7.	23.59	35.38
0.00	165.10												
	AK												
G6369	Barton	ANC	IP0200	9975	001	117	97302883	01	REG	4/8/97	6.	23.59	35.38
0.00	141.52												
	AK												
G6369	Barton	ANC	IP0200	9975	001	117	97302883	05	REG	4/9/97	8.	23.59	35.38
0.00	188.00												
	AK												
G6369	Barton	ANC	IP0200	9975	001	117	97302883	01	REG	4/10/97	6.	23.59	35.38

G6369 80.00	Blagg, J. 80.00	ANC	730809	9320	100	102	97302954	01	REG	4/2/97	1.	80.00	0.00
G6369 80.00	Blagg, J. 80.00	ANC	730809	9320	100	102	97302954	01	REG	4/3/97	1.	80.00	0.00
G6369 80.00	Blagg, J. 80.00	ANC	730809	9320	100	102	97302954	01	REG	4/4/97	1.	80.00	0.00
G6369 80.00	Blagg, J. 80.00	ANC	730809	9320	100	102	97302954	01	REG	4/7/97	1.	80.00	0.00
G6369 80.00	Blagg, J. 80.00	ANC	730809	9320	100	102	97302954	01	REG	4/8/97	1.	80.00	0.00

PSU In PSU Out Anch In Anch Milne
 Out
 <C> <C> <C> <C> <C>
 80
 80
 80
 80
 80
 80
 80

</TABLE>

2

<TABLE>													
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
<C>	<C>												
G6369 80.00	Blagg, J. 80.00	ANC	730809	9320	100	102	97302954	01	REG	4/9/97	1.	80.00	0.00
G6369 80.00	Blagg, J. 80.00	ANC	730809	9320	100	102	97302954	01	REG	4/15/97	1.	80.00	0.00
G6369 80.00	Blagg, J. 580.00	ANC	730812	9320	300	101	97302909	01	REG	4/1/97	7.	80.00	0.00
G6369 80.00	Blagg, J. 580.00	ANC	730812	9320	300	101	97302909	01	REG	4/2/97	7.	80.00	0.00
G6369 80.00	Blagg, J. 580.00	ANC	730812	9320	300	101	97302909	01	REG	4/3/97	7.	80.00	0.00
G6369 80.00	Blagg, J. 580.00	ANC	730812	9320	300	101	97302909	01	REG	4/4/97	7.	80.00	0.00
G6369 80.00	Blagg, J. 580.00	ANC	730812	9320	300	101	97302909	01	REG	4/7/97	7.	80.00	0.00
G6369 80.00	Blagg, J. 580.00	ANC	730812	9320	300	101	97302909	01	REG	4/8/97	7.	80.00	0.00
G6369 80.00	Blagg, J. 580.00	ANC	730812	9320	300	101	97302909	01	REG	4/9/97	7.	80.00	0.00
G6369 80.00	Blagg, J. 320.00	ANC	730812	9320	300	101	97302909	01	REG	4/10/97	4.	80.00	0.00
G6369 80.00	Blagg, J. 640.00	ANC	730812	9320	300	101	97302909	01	REG	4/11/97	8.	80.00	0.00
G6369 80.00	Blagg, J. 640.00	ANC	730812	9320	300	101	97302909	01	REG	4/14/97	8.	80.00	0.00
G6369 80.00	Blagg, J. 580.00	ANC	730812	9320	300	101	97302909	01	REG	4/15/97	7.	80.00	0.00
G6369 80.00	Blagg, J. 640.00	ANC	730812	9320	300	101	97302909	01	REG	4/16/97	8.	80.00	0.00
G6369 80.00	Blagg, J. 640.00	ANC	730812	9320	300	101	97302909	01	REG	4/17/97	8.	80.00	0.00
G6369 80.00	Blagg, J. 640.00	ANC	730812	9320	300	101	97302909	01	REG	4/18/97	8.	80.00	0.00
G6369 80.00	Blagg, J. 640.00	ANC	730812	9320	300	101	97302909	01	REG	4/21/97	8.	80.00	0.00
G6369 80.00	Blagg, J. 640.00	ANC	730812	9320	300	101	97302909	01	REG	4/22/97	8.	80.00	0.00
G6369 80.00	Blagg, J. 640.00	ANC	730812	9320	300	101	97302909	01	REG	4/23/97	8.	80.00	0.00
G6369 80.00	Blagg, J. 640.00	ANC	730812	9320	300	101	97302909	01	REG	4/24/97	8.	80.00	0.00
G6369 80.00	Blagg, J. 640.00	ANC	730812	9320	300	101	97302909	01	REG	4/25/97	8.	80.00	0.00

PSU In PSU Out Anch In Anch Milne
 Out
 <C> <C> <C> <C> <C>
 80
 80
 580
 580

580
580
580
580
580
320
640
640
580
640
640
640
640
640
640
640
640
640
640
640

</TABLE>

3

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
<C>	<C>													
G6369	Blagg, J.	ANC	730812	9320	300	101	97302909	01	REG	4/28/97	8.	80.00	0.00	
80.00	640.00													
G6369	Blagg, J.	ANC	730812	9320	300	101	97302909	01	REG	4/29/97	8.	80.00	0.00	
80.00	640.00													
G6369	Blagg, J.	ANC	730812	9320	300	101	97302909	01	REG	4/30/97	8.	80.00	0.00	
80.00	640.00													
G6369	Blagg, J.	ANC	IZ0200	9975	001	117	97302883	02	REG	4/10/97	4.	80.00	0.00	
80.00	320.00													
G6369	Blagg, J.	ANC	IZ0200	9975	001	117	97302883	02	REG	4/10/97	4.	80.00	0.00	
80.00	320.00													
NWTS	Brown, KJ	ANC	IP0200	9975	001	117	97302883	01	REG	April	78.505	*	*	
*	1444.96													
NWTS	Brown, KJ	ANC	IV0200	9975	001	117	97302883	03	REG	April	11.215	*	*	
*	153.57													
NWTS	Brown, KJ	ANC	IW0200	9975	001	117	97302883	04	REG	April	11.215	*	*	
*	163.57													
NWTS	Brown, KJ	ANC	IZ0200	9975	001	117	97302883	02	REG	April	123.57	*	*	
*	1799.22													
G1698	Burns, M	ANC	A82GC1	9901	200	117	97300648	03	REG	4/3/97	8.	77.41	0.00	
77.41	619.26													
G1698	Burns, M	ANC	IP0200	9975	001	117	97302883	01	REG	4/1/97	8.	77.41	0.00	
77.41	619.26													
G1698	Burns, M	ANC	IP0200	9975	001	117	97302883	01	REG	4/2/97	8.	77.41	0.00	
77.41	619.26													
G1698	Burns, M	ANC	IP0200	9975	001	117	97302883	01	REG	4/4/97	8.	77.41	0.00	
77.41	619.26													
G1698	Burns, M	ANC	IP0200	9975	001	117	97302883	01	REG	4/24/97	2.	77.41	0.00	
77.41	154.82													
G1698	Burns, M	ANC	IP0200	9975	001	117	97302883	01	REG	4/25/97	2.	77.41	0.00	
77.41	154.82													
G1698	Burns, M	ANC	IV0200	9975	001	117	97302883	03	REG	4/16/97	2.	77.41	0.00	
77.41	154.82													
G1698	Burns, M	ANC	IV0200	9975	001	117	97302883	03	REG	4/17/97	2.	77.41	0.00	
77.41	154.82													
G1698	Burns, M	ANC	IV0200	9975	001	117	97302883	03	REG	4/18/97	2.	77.41	0.00	
77.41	154.82													
G1698	Burns, M	ANC	IV0202	9975	001	117	97302883	04	REG	4/21/97	2.	77.41	0.00	
77.41	154.82													
G1698	Burns, M	ANC	IV0202	9975	001	117	97302883	04	REG	4/22/97	2.	77.41	0.00	
77.41	154.82													
G1698	Burns, M	ANC	IV0202	9975	001	117	97302883	04	REG	4/23/97	2.	77.41	0.00	
77.41	154.82													

PSU In	PSU Out	Anch In	Anch Out	Milne
<C>	<C>	<C>	<C>	<C>
				640
				640
				640
				320.00
				320.00
				1444.96
				163.57
				163.57
				1799.22

</TABLE>

4

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
G1698	Burns, M	ANC	IZ0200	9975	001	117	97302883	02	REG	4/7/97	2.	77.41	0.00
77.41	154.82												
G1698	Burns, M	ANC	IZ0200	9975	001	117	97302883	02	REG	4/8/97	2.	77.41	0.00
77.41	154.82												
G1698	Burns, M	ANC	IZ0200	9975	001	117	97302883	02	REG	4/9/97	2.	77.41	0.00
77.41	154.82												
G1698	Burns, M	ANC	IZ0200	9975	001	117	97302883	02	REG	4/10/97	2.	77.41	0.00
77.41	154.82												
G1698	Burns, M	ANC	IZ0200	9975	001	117	97302883	02	REG	4/11/97	2.	77.41	0.00
77.41	154.82												
G1698	Burns, M	ANC	IZ0200	9975	001	117	97302883	02	REG	4/14/97	2.	77.41	0.00
77.41	154.82												
G1698	Burns, M	ANC	IZ0200	9975	001	117	97302883	02	REG	4/15/97	2.	77.41	0.00
77.41	154.82												
G1698	Burns, M	ANC	IZ0200	9975	001	117	97302883	02	REG	4/28/97	2.	77.41	0.00
77.41	154.82												
G1698	Burns, M	ANC	IZ0200	9975	001	117	97302883	02	REG	4/29/97	2.	77.41	0.00
77.41	154.82												
G1698	Burns, M	ANC	IZ0200	9975	001	117	97302883	02	REG	4/30/97	2.	77.41	0.00
77.41	154.82												
G7304	Conrad,	MPU	U39030	9942	100	120	97346858	01	REG	4/3/97	8.	54.40	0.00
51.40	411.23												
	RK												
G7304	Conrad,	MPU	U39030	9942	100	120	97346858	01	REG	4/4/97	8.	54.40	0.00
51.40	411.23												
	RK												
G7304	Conrad,	MPU	U39030	9942	100	120	97346858	01	REG	4/7/97	8.	54.40	0.00
51.40	411.23												
	RK												
G7304	Conrad,	MPU	U39030	9942	100	120	97346858	01	REG	4/8/97	8.	54.40	0.00
51.40	411.23												
	RK												
G7304	Conrad,	MPU	U39030	9942	100	120	97346858	01	REG	4/9/97	8.	54.40	0.00
51.40	411.23												
	RK												
G7304	Conrad,	MPU	U39030	9942	100	120	97346858	01	REG	4/10/97	8.	54.40	0.00
51.40	411.23												
	RK												
G7304	Conrad,	MPU	U39030	9942	100	120	97346858	01	REG	4/11/97	8.	54.40	0.00
51.40	411.23												
	RK												

ATTACHMENT 12

BPXA STANDARD HSE CONTRACT CLAUSES

1. HSE Management System Requirements

- 1.1 The Contractor shall provide BPXA with a statement of its policy for health, safety and environmental (HSE) matters for review prior to the commencement of the Work. During the term of the Contract, this policy shall not be revised or amended in respect of the Work provided without prior notification to BPXA.
- 1.2 The Contractor shall perform the Work under a formal system which follows the principles outlined in BPXA's Operations Integrity Assurance System (OIAS), as may be amended by BPXA from time to time. (The Systems outlined in "BPXA Expectations for Contractor Health Safety and Environmental Excellence" follow the OIAS Principles).
- 1.3 The Contractor HSE Management System shall demonstrate, to the reasonable satisfaction BPXA, that the aims and objectives of the Contractor's HSE policy are proven through documented performance.
- 1.4 The Contractor HSE Management System shall:
 - a) Contain objectives and standards designed to reasonably ensure that all the Contractor's personnel are competent to perform their tasks safely, and
 - b) Ensure, to the extent reasonably possible, that in the performance of the work, the hazards to the health of Contractor's personnel, BPXA staff and third parties have been identified, assessed where possible, and are being controlled through formal planning methods and procedures.

- c) Ensure that all Contractor's personnel receive environmental awareness training including, but not limited to, polar bear and fox awareness, spill prevention and reporting, and avoiding disturbance of wildlife.

2. COMPATIBILITY OF HSE MANAGEMENT SYSTEMS

- 2.1 The Contractor shall liaise with BPXA to ensure that the roles and responsibilities in both systems are clearly defined and allocated and are clearly understood by all parties involved in the service.

1-S4 1 Contract No. 92MR067A
ATTACHMENT 12

- 2.2 Within the framework of its HSE management system, the Contractor shall work to the HSE performance standards which meet or exceed those in BPXA HSE Management System. The Contractor shall ensure that its Support also work to such standards.
- 2.3 The interfaces between the Contractor and BPXA shall be documented in the form of an HSE Interface Document which shall become part of the Contract.
- 2.4 Where applicable, the Contractor shall ensure that similar standards apply to the HSE management systems used by all Support engaged by it.

3. CONTRACT HSE PLAN

- 3.1 Within 60 days after this requirement becoming part of the Contract, the Contractor shall prepare a plan for the management of all HSE aspects of the Service, known as the "Contract HSE Plan". The Contract HSE Plan must satisfy these requirements;

- a) The BPXA Expectations for Contractor HSE Excellence, which are set forth in Exhibit A to this Attachment, and any amendments thereto;
- b) Hazard Assessment - This is an assessment of the HSE hazards associated with a given job and/or job site. This assessment is meant to identify the possible hazards so that a Contract HSE Plan can be developed to address those hazards.
- c) Interface Document - This is the means through which the interfaces between the Contractor and BPXA are documented.
- d) EPA's ENVIRONMENTAL AUDITING POLICY STATEMENT, dated July 9, 1986 (51 Fed. Reg. 25004), and any amendments thereto;
- e) EPA's STATEMENT OF POLICY. INCENTIVES FOR SELF-POLICING, dated December 22, 1995 (60 Fed. Reg. 66706), and any amendments thereto.

and must reflect Contractor's HSE Management System.

- 3.2 The Contract HSE Plan shall include an assessment of reasonably identifiable HSE risks associated with the Work and shall indicate the proposed method of controlling those risks. It shall also include measurable and realistic targets for HSE performance in various categories, covering, but not necessarily limited to:

2-S4 2 Contract No. 92MR067A
ATTACHMENT 12

- a) Lost-time injuries
- b) Statutorily reportable events
- c) Injury severity
- d) Environmental emissions and waste production.

- 3.3 The Contract HSE Plan shall include a follow-up system to ensure that all remedial actions (from reviews and investigations of accidents and incidents) are closed out.
- 3.4 The Contract HSE Plan shall include details of the proposed method for conducting internal auditing of the effectiveness of its HSE Management System as applied to the Work.
- 3.5 The Contract HSE Plan must be approved by BPXA. Contractor must review the plan at least annually and shall update it whenever necessary to implement any amendments to the previously described requirements for the Plan, as well as any proposed changes to the Contract for Services. All updates must be submitted to BPXA for its review and approval before being implemented.
- 3.6 The approved Contract HSE Plan and updates shall form part of the Contract for Services. Contractor shall comply with the Contract HSE Plan at all

times during performance of the Contract.

4. REPORTING

- 4.1 The Contractor shall submit a quarterly (or monthly where required) written HSE report to BPXA, covering the following matters as relevant:
- a) Progress made against the Contract HSE Plan,
 - b) An overview of all accidents and near-miss events,
 - c) Total working hours for its employees and the employees of its Support providing the service (required monthly),
 - d) Details of the quantity and nature of any emissions and wastes generated,
 - e) A summary of any equipment QAI reports, and
 - f) Copies of all safety related inspection reports, including those provided to external bodies
 - g) A summary of the status of any remedial actions.

3-S4 3 Contract No. 92MR067A
ATTACHMENT 12

- 4.2 At the end of the Contract, the Contractor shall submit a final HSE report which summarizes its safety and environmental performance and that of its Support during the execution of the Work. This report shall include the cumulative total number of accidents, near-misses and hours worked.
- 4.3 Notwithstanding the provision of a quarterly report, the Contractor shall follow the requirements of the BPXA accident and incident reporting and investigation procedure while on the BPXA site.
- 4.4 The Contractor shall notify BPXA of any of the following events. All notifications shall be given immediately (and in any event not later than 24 hours) upon Contractors discovering or being informed of the circumstances requiring the notification and shall be communicated verbally and in writing to BPXA's Representative.
- a) The Release of a Hazardous Material and of the Contractor's response to such Release;
 - b) Any violation of an HSE Law or a BPXA Rule by Contractor or its Support;
 - c) The receipt by Contractor or its Support of any alleged violation of any HSE Law or of any proposed debarment, suspension, or ineligibility of Contractor by a federal agency, suspension or ineligibility;
 - d) Any inspection or notice of inspection by any governmental authority;
 - e) If any claim, demand, action, or proceeding has been commenced or asserted or, to the knowledge of Contractor, threatened, or if, to the knowledge of Contractor, any investigation has been commenced, asserted, or threatened alleging any failure by Contractor or its Support to comply with any HSE Law or the potential responsibility for the Release of Hazardous Materials;
 - f) Any failure to comply with the Contract HSE Plan.

5. REGULATORY AND OTHER REQUIREMENTS

- 5.1 The Contractor shall comply and shall take all necessary steps to ensure that its Support complies with HSE Laws as provided in Section VII.11.a. of the Contract.

4-S4 4 Contract No. 92MR067A
ATTACHMENT 12

- 5.2 The Contractor shall maintain, at the work site, copies of all applicable permits, including environmental permits. The Contractor shall ensure that its personnel are aware of the terms of the permits.
- 5.3 The Contractor shall cooperate fully with all BPXA personnel and federal, state, and local government agency personnel conducting compliance inspections. Contractor shall comply fully and promptly with all specific instructions from BPXA with regard to environmental matters.

5.4 Contractor shall, if requested by BPXA, promptly provide BPXA with all notes, reports (including without limitation, environmental audit reports), memoranda, correspondence, records, and other documentation (in any media) relating to the requirements in this ATTACHMENT, including without limitation the compliance with the Contracts HSE Plan and the matters set forth in Sections 4 and 5 of this ATTACHMENT.

6. HSE PERFORMANCE STANDARDS

6.1 When working on sites controlled or owned by BPXA, the Contractor shall comply with and shall ensure that its Support comply with current BPXA HSE requirements, including, in particular the BPXA Work Permit system. At other locations, the Contractor and BPXA shall agree to which of the BPXA HSE requirements are appropriate to the Scope of Work and will be addressed in the Interface Document.

6.2 Where necessary and appropriate, the Contractor shall seek advice from BPXA HSE Specialist on the interpretation of the HSE Documents.

7. WORKING CONDITIONS

7.1 The Contractor shall ensure that its Support are:

- a) Fully conversant with the working conditions at Site, the rules and standards relating to the Environment and the hazards and risks associated with the Service to be provided, and,
- b) Fully aware that they are expected to bring to the immediate notice of their Supervisor all health, safety and environmental risks which they believe not to be under adequate control, so that action may be taken to prevent potential injuries or other losses and provide a safe and healthy workplace.

5-S4 5 Contract No. 92MR067A
ATTACHMENT 12

7.2 The Contractor shall ensure that its Support shall keep all places of work as clean and tidy as is reasonably practicable under the circumstances, to minimize the risk of causing injury to persons, damage to property or delays in completing the work.

7.3 On completion of the Work, the Contractor shall promptly clear away and remove from Site all surplus materials and equipment and leave all areas in a clean and tidy condition to the satisfaction of the BPXA representative at the Site.

7.4 If, in the opinion of the BPXA Representative, the Contractor or its Support is working in a manner which contravenes any requirement of this contract, the BPXA Representative shall advise the Contractor accordingly and the Contractor shall take immediate steps to correct the situation.

7.5 BPXA reserves the right to terminate or suspend the Contract without notice and without financial penalty to BPXA if the Contractor fails to meet the standards set forth in this Exhibit.

6-S4 6 Contract No. 92MR067A
ATTACHMENT 12

8. OCCUPATIONAL HEALTH AND MEDICAL FITNESS

8.1 The Contractor shall ensure that its personnel and, where applicable, personnel employed by its Support are medically fit for assigned duties.

- a) The Contractor or its Support shall ensure that all personnel who are to work at remote sites for BPXA have the appropriate medical testing performed prior to arrival on site, i.e., (Exhibit B Medical Requirements) Medical Assessment, Pulmonary Function Test for Respiratory Protection Programs, a current hearing test for Hearing Conservation Program, and any other medical testing necessary to

ensure that the assigned employees are able to perform the essential functions of the assigned job and present no clear threat to the health and safety of the assigned employee or others.

8.2 The Contractor shall formally advise BPXA of any known medical disability or condition of any personnel which may pose a threat to his/her own health and safety, or the health and safety of others at the work place.

CLAUSES 8.3 TO 8.10 ARE APPLICABLE TO WORK CARRIED OUT AT A REMOTE SITE:

8.3 If, in the opinion of the BPXA Senior Medical Advisor, any person employed by the Contractor or its Support presents a direct threat to the health or safety of the employees or others at the site, or is unable, with or without reasonable accommodation to perform the essential function of an assigned job, BPXA reserves the right to:

- a) Refuse permission for the person to travel to the remote site.
- b) Return the person from the remote site for evaluation of medical condition(s) in town.

8.4 The Contractor and its Support shall hold a current medical clearance for every employee who is required to work at a BPXA remote site. The Contractor or its Support shall require, as a condition of continuing employment, that employees undergo periodic medical examination in such manner and at such intervals as specified by BPXA.

8.5 The Contractor and his Support will have a medical director or medical reviewing officer identified for the following purposes:

- a) Medical reviewing officer for mandated drug and alcohol testing programs which are required by federal, state, or BPXA regulations.

7-S4 Contract No. 92MR067A
ATTACHMENT 12

7

- b) Custodian for medical records of employees who retire, terminate, or transfer to other work sites not on the North Slope.
- c) Medical reviewing officer for medical material from OSHA-mandated compliance programs such as Respiratory Protection, Hearing Conservation and Blood Borne Pathogens.

8.6 Notwithstanding the foregoing, BPXA reserves the right to reject any person proposed by the Contractor for work at a remote site. BPXA shall not be required to state the reason for rejection to the Contractor or its Support but will share this information with the employee.

8.7 In addition to the standard medical examination, the Contractor shall ensure that persons not previously engaged within a preceding period of two years under a BPXA contract containing such similar provisions for medical examination, shall have undergone biological testing for substance abuse within 30 days of start up, which shall demonstrate negative results. Upon request, the Contractor shall provide BPXA with written confirmation of such negative results.

8.8 Advice on testing requirements and biological testing centers can be obtained from BPXA's Senior Medical Advisor's office in Anchorage (telephone 564-5129/4023).

8.9 The costs of all medical examinations, biological testing and associated expenses shall be borne by the Contractor and reasonable reimbursement paid by BPXA in accordance with the provisions of the contract.

8.10 In the event that any person may require to be evacuated from a remote site, BPXA shall provide the resources and personnel to accomplish this evacuation. If the incident occurs at a remote site other than Prudhoe Bay (WOA), Endicott or Milne Point, the Contractor is responsible for the transporting the injured to Medical facilities at the above locations. BPXA personnel will then be responsible for carrying out this evacuation up to and including escorting the person to the hospital where appropriate care can be given. The Contractor or its Support will be back billed for expenses incurred during this medical evacuation. The Contractor and its Support's are required to possess the appropriate insurance or financial means for the purpose of health care and emergency medical evacuation of their employees.

9. WASTE GENERATION AND DISPOSAL

The Contractor shall insure that both the Contractor and its Support (1) act to minimize the total quantity of Hazardous Materials being used or generated during performance of the Work and (2) neither generate, transport, treat, store, use,

handle, recycle, dispose nor arrange for the disposal of any Hazardous Material, except in accordance with applicable HSE Laws and BPXA Rules.

10. RIGHT OF AUDIT

BPXA reserves the right to audit the Contractor to assure itself that HSE matters are being managed and controlled in accordance with the declared requirements of the Contractor's HSE management system and BPXA's HSE performance standards.

11. APPENDICES

The following documents shall be part of the Contract and by this reference are incorporated into this Contract:

- a) Medical Requirements
- b) Contract Hazard Assessment (to be updated as the Contract Scope changes or as new Hazards are introduced to the Worksite)
- c) Contract HSE Plan and any updates, as approved by BPXA
- d) Contract HSE Interface Document (as prepared and amended from time to time by BPXA in consultation with Contractor)

9-S4

9

Contract No. 92MR067A
ATTACHMENT 12

EXHIBIT A TO

ATTACHMENT NO. 12

BPXA EXPECTATIONS FOR CONTRACTOR HSE EXCELLENCE

BP Exploration (Alaska) Inc. Expectations For Contractor Health, Safety, And Environmental Excellence

MANAGEMENT LEADERSHIP, COMMITMENT AND ACCOUNTABILITY: Contractors are expected to establish a system for HSE management and communicate it at every level in their organization. Management's commitment should be visible to the organization. The system should require accountability for HSE results at all levels of the organization, ensure demonstrable, active employee involvement in the system, include provisions to share learning across the organization and require periodic reporting to BPXA management.

CONTRACTOR PRE-WORK RISK ASSESSMENT: Contractors are expected to have a pre-work risk assessment plan to identify sources of risk, implement appropriate prevention measures, inform BPXA of any hazards encountered, and document decisions.

CONTRACTOR-SUPPLIED EQUIPMENT: Contractors are expected to have standardized practices governing the certification, care and use of equipment; meet or exceed applicable regulatory requirements; use established industry practice where regulations do not exist; incorporate operational expertise and experience from previous projects; and use hazard analysis techniques and appropriate quality control and inspection systems.

CONTROLS FOR WORK PRACTICES: Contractors are expected to implement controls when working for BPXA including training personnel to use approved written procedures and to stay within defined authority limits, use of structured inspection and maintenance practices, supplying personnel with personal protective equipment, and implementing a quality assurance program.

MANAGEMENT OF CHANGE (MOC): Contractors are expected to use BPXA's MOC system for all changes to BPXA property or systems and implement their own system for changes to contractors equipment used for BPXA work. The system shall include a known authority for approval of changes; analysis of safety and environmental implications; documentation, including reason for change and communication of potential consequences; and required compensating measures.

1-S4

1

Contract No. 92MR067A
ATTACHMENT 12

INFORMATION/DOCUMENTATION: Contractors are expected to have a system for managing technical and HSE information specific to their work for BPXA. The data shall be accessible and current and include personnel and training records (including verification of understanding), drawings and relevant technical records for equipment used or supplied, and records of accidents, incidents and near miss events.

PERSONNEL AND TRAINING: Contractors are expected to have a system for the

selection, placement and on-going maintenance of qualified employees to meet specified job requirements and to assess and provide feedback on job performance. They must ensure that employees understand the known potential hazards including falls, fire, explosion, toxins, etc. related to the job. The management systems should give opportunities for employees to provide feedback.

INTERFACES AND SUBCONTRACTORS: Contractors are expected to comply with BPXA's interface system to ensure effective interfaces between contractors and BPXA. BPXA will be advised and approval sought prior to the use of subcontractors, and they will be subject to the same HSE requirements as prime contractors.

INCIDENT AND ACCIDENT REPORTING: Contractors must ensure immediate reporting to BPXA of serious HSE incidents and near misses. They shall provide a way to share with employees lessons learned from incidents, near-misses and successful practices. Less serious incidents may be reported sometime during the shift on which they occur.

COMMUNITY AWARENESS AND EMERGENCY PREPAREDNESS: Contractors must take all necessary actions to protect the public, the environment, employees and BPXA assets. They are expected to ensure that their employees understand BPXA's emergency response plan and that open communications exist with their employees and BPXA.

CONTRACT FOR ALASKA ACCESS SERVICES

This agreement entered into this 1 day of June 1993 between Sprint Communications Company L.P., a Delaware Limited Partnership, (hereinafter referred to as "Sprint") and General Communications, Inc. and its wholly owned subsidiary GCI Communication Corp., Alaska corporations (together "GCI").

A. GCI currently carries Sprint interstate measured telephone service ("MTS") traffic to and from the State of Alaska.

B. The parties wish to extend and expand their relationship to provide greater service within and to and from Alaska for their services.

NOW, THEREFORE, in consideration of the mutual promises set forth below, the parties agree as follows:

1. DEFINITIONS

(A) Alaska Average Terminating Access Cost: A blended per minute rate calculated by computing GCI's average interstate terminating access rates for each of the companies listed below, and then averaging those rates weighted by the percentage of total GCI terminating access traffic to each company. For each company the average terminating interstate rate will be calculated using a 10 mile transport element. For the initial year of this agreement, the access rate for each company shall be weighted as indicated below to produce the final blended rate that is the Alaska Average Terminating Access Cost.

Anchorage Telephone Utility	47.79
Matanuska Telephone Association	8.28
Fairbanks Municipal Utilities System	8.72
Telephone Utilities of Alaska, Inc.	18.14
Ketchikan Public Utilities	2.74
Cooper Valley Telephone Cooperative, Inc.	0.65
Cordova Telephone Cooperative	0.41
Interior Telephone Company, Inc.	0.81
Arctic Slope Telephone Association Cooperative	0.50
GTE Alaska, Incorporated	0.38
Rest of State - NECA	13.58

	100.00%

Annually, using October terminating minutes, GCI shall update the percentage used in calculating the Alaska Average Terminating Access Cost based upon the percentage of GCI's total billed terminating access minutes for each Alaska exchange company.

(B) Sprint Alaska Originated Traffic: All Sprint MTS traffic, other than 800 and 900 traffic, which originates where GCI has facilities in Alaska and is delivered to Sprint in Seattle for termination outside Alaska.

(C) Sprint Southbound Traffic: All Sprint 800 and 900 traffic which originates in Alaska and terminates outside of Alaska.

(D) Sprint Northbound Traffic: All Sprint MTS traffic which originates outside of Alaska and terminates in Alaska.

(E) Sprint Traffic: Sprint Northbound Traffic and Sprint Southbound Traffic.

(F) POP: Point of Presence.

2. TRAFFIC SERVICES, CHARGES AND STANDARDS

A. SPRINT TRAFFIC. Sprint will use their best effort to utilize the transmission services of GCI for all Sprint Traffic and GCI will transmit Sprint Traffic as follows:

(1) SPRINT NORTHBOUND TRAFFIC. Sprint will deliver Sprint Northbound Traffic to the GCI POP in Seattle, Washington. GCI shall route all Sprint Northbound Traffic received at the POP to the appropriate destination in Alaska.

(2) SPRINT SOUTHBOUND TRAFFIC. GCI will receive Sprint Southbound Traffic and deliver it to Sprint in Seattle, Washington.

(3) SPRINT ALASKA ORIGINATED TRAFFIC. GCI will receive Sprint Southbound Traffic and deliver it to Sprint in Seattle, Washington.

(4) SPRINT ALASKA DIRECTORY ASSISTANCE. Sprint will receive Sprint Alaska Directory Assistance traffic to GCI POP in Seattle, Washington.

GCI shall route Sprint Alaska Directory Assistance to the appropriate Alaska directory assistance provider.

(5) SPRINT ALASKA INWARD OPERATOR SERVICES. Sprint will route Inward Operator Traffic to GCI in Seattle, Washington and GCI will route the traffic to the GCI Operator center in Wasila, Alaska. GCI will offer Inward Operator service which is consistent with the service offered from the local exchange operating companies in Alaska.

B. CHARGES. GCI shall charge and Sprint shall pay for services provided by GCI under this section as follows:

2

(1) SPRINT NORTHBOUND TRAFFIC. Sprint Northbound Traffic shall be charged at rates equal to AT&T's best SDN or Megacom tariff rates, subject to the appropriate term and volume, in effect on that date the traffic is generated, less an amount equal to such rate times the following percentage in the applicable year:

Year	Percent
----	-----
1993-1995	10.0
1996-1997	12.0

Sprint shall elect the specific tariff and options by written notice to GCI. All terms and conditions of the tariff chosen which determine price shall apply to the GCI rates.

Notwithstanding the calculations of the rates as provided in this subsection, the average rate per minute for Sprint Northbound Traffic shall not be less than the Alaska Average Terminating Access Cost plus \$0.02 (two cents). GCI will provide 30 day written notification to Sprint prior to the implementation of this option.

(2) SPRINT SOUTHBOUND TRAFFIC. Sprint Southbound Traffic (except for Sprint Alaska Originated Traffic) shall be charged at the following rates per minute in the appropriate calendar year:

Year	Rate in Dollars
----	-----
1993	.185
1994	.18
1995	.175
1996	.17
1997	.165

There shall be no time of day discount. GCI shall pay the Alaska exchange access and Alascom interexchange charges for Sprint Southbound Traffic. Any query charges associated with the routing of Sprint Southbound Traffic, due to FCC Docket #86-10, will be passed on to Sprint.

(3) SPRINT ALASKA ORIGINATED TRAFFIC. GCI and Sprint agree to work toward a mutually satisfactory arrangement if Sprint requires Alaska MTS origination.

(4) SPRINT ALASKA DIRECTORY ASSISTANCE. GCI shall charge \$0.65 for each Sprint Alaska Directory Assistance call.

3

(5) SPRINT ALASKA INWARD OPERATOR SERVICES. GCI and Sprint will work toward a mutually satisfactory arrangement in the provisioning of Inward Operator Services and GCI will provide Sprint with a price for each type of call.

C. BILLING. GCI will bill Sprint for the services outlined in this Agreement monthly, in a format acceptable to Sprint and containing sufficient detail for Sprint to properly validate the bill. Sprint will pay all non-disputed amounts within 30 days of the receipt of the invoice.

D. TIMING OF CALLS. Unless an applicable tariff otherwise provides, the time of message billing begins with trunk seizure in the case of subsections B(2) and B(3) and answer the case in subsection B(1) and ends with disconnect.

E. CHANGES IN TARIFF. If any referenced AT&T tariff is terminated or altered so as to materially change the rates charged herein, the parties shall select a tariff and/or a new rate that substantially reflects the economic and commercial transaction contemplated by the parties in this section.

F. PRICE PROTECTION. Notwithstanding anything to the contrary, the overall pricing, for all combined services, that GCI shall charge Sprint shall

not be more than any other overall combined pricing offered to another customer for similar services and similar volumes during the term of this agreement.

G. NETWORK PERFORMANCE STANDARDS. GCI shall use its best efforts to maintain the quality of its service(s) provided under the direct control of GCI. Each party will ensure that industry standards pertaining to the transmission and delivery of traffic are maintained at all times. GCI shall guarantee the performance of GROUP III fax and V.32 9600 bps modems for facilities under its control. Voice compression will be engineered to provide a freeze-out ratio less than .1%. GCI will provide its best effort to route Sprint traffic on terrestrial facilities when they are available. Sprint traffic will be subject to the same capacity constraints, satellite routing, and compression standards as GCI, or any of GCI's other inter-exchange carrier customers. GCI will restore Sprint traffic within the same time as GCI uses to restore its own traffic. Satellite transmission will be used to provide restoral service during extended outages.

3. TERM. Services provided under this Agreement shall be for a term of three years beginning June 1, 1993 and ending May 31, 1996. The term shall be automatically extended for two (2) one (1) year periods through May 31, 1998 unless Sprint elects to cancel the renewal periods by giving GCI written notice of nonrenewal at least 180 days to the next renewal period.

4

4. DEFAULT AND REMEDIES

A. EVENTS OF DEFAULT. A party shall be in default upon the occurrence of any of the following:

(1) The party shall have failed to make any payment when due, coupled with its failure to remedy nonpayment within thirty days after receipt of written notice thereof from the other party.

(2) The party shall have failed to perform its obligations under Section 2.G. coupled with failure to remedy nonperformance within thirty days after receipt of written notice thereof from the other party.

(3) The party shall not have paid, or shall have admitted in writing its inability to pay, its debt as it matures or shall have applied for, consented to or acquiesced in the appointment of a trustee or receiver for any part of its property, or shall have authorized any such action; or in the absence of any such application, consent or acquiescence a trustee or receiver shall have been appointed for a party or for a substantial part of its property and shall not have been discharged within sixty (60) days; or any bankruptcy or insolvency law or any dissolution or liquidation proceeding shall have been instituted by the party or, if instituted against the party, shall not have been dismissed with a period of sixty (60) days.

B. CONSEQUENCE OF DEFAULT AND REMEDIES. In the event of default, the non defaulting party shall have the right, immediately upon written notice to the defaulting party, to terminate this agreement without further liability, including monetary early termination charges, except for obligations incurred prior to the termination date. In addition, the non defaulting party shall have the option and may exercise the dispute resolution outlined in Section 5.C., below.

C. DISPUTE RESOLUTION. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. One arbitrator shall be named by GCI and one arbitrator shall be named by Sprint. A third arbitrator shall be named by the two arbitrators so chosen, or if they cannot agree, the third arbitrator shall be an expert in the field of telecommunications named by the American Arbitration Association. Both parties shall be required to name arbitrators within twenty (20) days after the one party has given notice of intent to arbitrate. Awards shall be made by a majority of the arbitrators provided, however, that if a majority decision cannot be reached, the independent arbitrator chosen by the party-designated arbitrators or the American Arbitration Association shall decide the case.

5

6. MISCELLANEOUS.

A. FORCE MAJEURE. CHANGE IN LAW OR REGULATION.

(1) Neither party shall be liable for its failure to perform hereunder due to any contingency beyond its reasonable control, including acts of God, fires, floods, earthquakes, volcanic eruptions, wars, sabotage, accidents, labor disputes or shortages, government laws, ordinances, rules and regulations whether valid or invalid, inability to obtain material, equipment

or transportation, defective equipment and any other similar or different contingency. The party whose performance is prevented by any such contingency shall have the right to omit during the period of such contingency all or any portion of the service deliverable during such period.

(2) If a substantial change in law or regulation occurs materially affecting the services, charges or other requirements and conditions of this Agreement to the degree that one or both of the parties are materially and adversely affected, the parties shall negotiate amendments to this Agreement to restore the parties to substantially the same position as if the law or regulatory change had not occurred. In the event that this Agreement cannot be changed to restore the parties substantially to the status quo ante, either party may terminate this agreement.

B. MODIFICATIONS, CONSENTS AND WAIVERS. No failure or delay on the part of either party in exercising any power or right hereunder or under any other document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power preclude any other or future exercise thereof or the exercise of any other right or power. No amendment, modification or waiver of any provisions of this Agreement or the other documents, nor consent to any departure by the party therefrom shall be effective only in the specific instance and for the purpose for which given. Except as otherwise provided in any document, no notice to or demand on a party in any case shall entitle that party to any other or future notice or demand in similar or other circumstances.

C. NOTICES. Unless otherwise provided herein, all notices concerning this Agreement shall be deemed given on the day telecopied with hard copy mailed follows:

If to Sprint:

Sprint Communications Company
Attn: Director, Access Planning
7171 W. 95th Street
Overland Park, KS 66212

With a copy to Attn: Manager, Tactical Access Planning
Facsimile: (913) 967-3142

6

If to GCI:

General Communication Incorporated
2550 Denali Street, Suite 1000
Anchorage, Alaska 99503-2781
Attn: General Manager

With a copy to Attn: Director Carrier Relations
Facsimile: (907) 265-5676

A party may change the address, person and facsimile number by written notice to the other party.

D. CONFIDENTIALITY. Neither party shall disclose to any third party during the service term and any renewal period, or during the three (3) year period immediately following receipt of service under this Agreement, any of the terms and conditions set forth in this agreement without the prior written consent of the other party, unless such disclosure is required to be disclosed by law or is necessary in any legal proceeding establishing rights and obligations under this Agreement.

E. RULE OF CONSTRUCTION. All parties to this Agreement have been represented by separate counsel, or have been afforded the opportunity thereof, and all terms and conditions herein have been negotiated at arms' length. Given the above and the consideration provided within this document, the rule of strict construction, which construes the document against the drafter, is waived in its entirety by all parties and shall not apply.

F. BINDING EFFECT AND ASSIGNMENT. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns, except that the parties may not assign or transfer any part of this Agreement hereunder without the other party's prior written consent except to a parent subsidiary or affiliate under the control of the party.

G. ENTIRE AGREEMENT. This Agreement and the other documents described herein set forth the entire agreement between the parties supersedes all prior communications and understandings of any nature and may not be supplemented or altered orally. In the event of a conflict between the provisions of this Agreement and any of the other documents, the provisions of this Agreement shall control.

H. GOVERNING LAW. This Agreement and the other documents shall be deemed to be contracts under the laws of the State of Kansas and for all

purposes shall be construed in accordance with and governed by the laws of said State.

I. HEADINGS. Articles and section headings used in this Agreement are for convenience only and shall not affect the construction of this Agreement.

7

J. EXECUTION IN COUNTERPARTS. This Agreement may be executed by the parties hereto individually or in separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same document.

This Agreement executed as of the date set forth above.

SPRINT COMMUNICATIONS COMPANY L.P.

By: _____

Printed Name: R.W. Runke

Title: Vice Pres.

GCI COMMUNICATION CORPORATION

By: _____

Printed Name: Wilson Hughes

Title: EVP & General Manager

8

FIRST AMENDMENT TO
CONTRACT FOR ALASKA ACCESS SERVICES

This FIRST AMENDMENT to the CONTRACT FOR ALASKA ACCESS SERVICES is made as of this 7th day of August, 1996, between GENERAL COMMUNICATION, INC. ("GCI") with offices located at 2550 Denali Street, Suite 1000, Anchorage, Alaska 99503-2781, and SPRINT COMMUNICATIONS COMPANY L.P., a Delaware Limited Partnership, ("Sprint") with offices located at 3100 Cumberland Circle, Atlanta, Georgia 30339.

WHEREAS, GCI and Sprint entered into a Contract For Alaska Access Services, effective as of July 1, 1993, and

WHEREAS, GCI and Sprint desire to amend the Contract,

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, GCI and Sprint agree as follows:

1. Paragraph 2.B.(2) of the Contract shall be deleted and the following inserted in its place:
 - (2) SPRINT SOUTHBOUND TRAFFIC. Sprint Southbound Traffic (except for Sprint Alaska Originated Traffic) shall be charged at the following rates per minute in the appropriate periods:

Date	Rate in Dollars
----	-----
January 1, 1996	.17
June 1, 1996	.164
January 1, 1997	.159
January 1, 1998	.154
January 1, 1999 and thereafter	.149

There shall be no time of day discount. GCI shall pay the Alaska exchange access and the Alascom interexchange charges for Sprint Southbound Traffic. Any query charges associated with the routing of sprint southbound Traffic, due to FCC Docket #86-10, will be passed on to Sprint.

2. Paragraph 3 of the Contract shall be deleted and the following inserted in its place:

CGI CONFIDENTIAL
1

3. TERM. Except for Sprint Alaska Originated Traffic, services provided pursuant to Section 2.A shall be a term of three (3) years beginning July 1, 1996 and ending June 30, 1999. The term shall be automatically extended for two (2) one (1) year periods through and including June 30, 2001 unless either party elects to cancel the renewal periods by giving written notice of non-renewal at least 180 days prior to the commencement of any renewal term.
3. All other terms and conditions of the contract remain unchanged by this Amendment and are in full force and effect.
4. This Amendment will be effective on July 1, 1996.
5. This Amendment together with the Contract is the complete agreement of the parties and supersedes all other prior contracts and representations concerning its subject matter. Any further amendments must be in writing and signed by both parties.

IN WITNESS WHEREOF, the parties hereto each acting with proper authority have executed this Amendment of the date indicated below.

SPRINT COMMUNICATIONS
COMPANY

GENERAL COMMUNICATION, INC.

- -----
Authorized Signature

- -----
Authorized Signature

- -----
Print Name and Title

- -----
Print Name and Title

- -----
Date

- -----
Date

RESALE SOLUTIONS SWITCHED SERVICES AGREEMENT

THIS AGREEMENT (the "Agreement") is entered into by and between SPRINT COMMUNICATIONS COMPANY L.P. ("Sprint"), and GCI COMMUNICATIONS, INC. ("Customer"). Sprint and Customer are "Parties" hereto.

In consideration of the mutual promises contained herein, the Parties agree as follows:

1. DEFINITIONS. Capitalized terms appearing in bold print are defined in Exhibit 1.

2. CONFIDENTIALITY. During the Term and thereafter, neither Party shall disclose any terms of this Agreement, including pricing, or Proprietary Information of the other Party. Proprietary Information shall remain the property of the disclosing Party. A Party receiving Proprietary Information shall: (i) use or reproduce such information only when necessary to perform this Agreement; (ii) provide at least the same care to avoid disclosure or unauthorized use of such information as it provides to protect its own Proprietary Information; (iii) limit access to such information to its employees or agents who need such information to perform this Agreement; and (iv) return or destroy all such information, including copies, after the need for it has expired, upon request of the disclosing Party, or upon termination of this Agreement.

Because of the unique nature of Proprietary Information, a breach of this paragraph may cause irreparable harm for which monetary damages may be inadequate compensation. Accordingly, in addition to other available remedies, a Party may seek injunctive relief to enforce this paragraph.

3. TERM. If this Agreement is executed by Sprint prior to the first day of the month, then the Term shall commence on the first day of the following month; otherwise, the Term shall commence on the first day of the second month following the month in which it is executed by Sprint. The Term will continue after commencement for the period specified in Attachment A.

4. TERMINATION FOR CAUSE.

4.1. A Party may terminate this Agreement upon the other Party's failure to cure any of the following within 30 days following written notice thereof; (a) the (i) insolvency, corporate reorganization, arrangement with creditors, receivership or dissolution of the other Party; or (ii) institution of bankruptcy proceedings by or against the other Party; (b) assignment or attempted assignment of the Agreement or any interest therein, except as permitted by Paragraph 24 hereof; (c) change in control of the defaulting Party without the other Party's prior written consent, which consent shall not be unreasonably withheld; (d) a final order by a government entity with appropriate jurisdiction that a Service or the relationship hereunder is contrary to law or regulation; or (e) breach of any provision herein not otherwise referred to in Paragraph 4.

4.2. Sprint may terminate this Agreement immediately and without notice if Customer fails to cure a breach as provided in Paragraph 8 or breaches a provision of Paragraph 17 or 18.

4.3. Customer may terminate the Agreement upon 30 days written notice if special rate adjustments exceed the maximum provided in Paragraph 16.

4.4. Upon termination of this Agreement a Party may recover from the other all sums it is owed at the time of termination.

5. TERMINATION WITHOUT CAUSE; EARLY TERMINATION CHARGE.

5.1. Customer may terminate this Agreement at any time without cause upon 90 days prior written notice to Sprint and payment to Sprint of the Early Termination Charge in Subparagraph 5.2. Service will be discontinued the first business day of the fourth month after such notice of termination.

5.2. Carrier Transport Base Rates and Promotional Discounts are based on Customer's agreement to purchase Service for the entire Term. It is difficult if not impossible to calculate Sprint's loss if Customer terminates the Agreement pursuant to Subparagraph 5.1 prior to the end of the Term. Therefore, to compensate Sprint for such loss, and not as a penalty, Customer shall pay Sprint an Early Termination Charge in the event of such termination. The Early Termination Charge shall equal 50% of the sum of the Minimum Commitment for each month remaining in the Term when Service is discontinued pursuant to Subparagraph 5.1. The Early Termination Charge shall be paid within 30 days after the notice provided pursuant to

6. APPLICATION OF TARIFFS; INTERSTATE ADJUSTMENT.

6.1. Interstate and international Service shall be provided pursuant to Tariff as supplemented by this Agreement. In the event of a conflict between this Agreement and any Tariff, the Tariff shall control.

6.2. Intrastate Service is provided pursuant to Tariff in every respect. Promotional Discounts will not apply to intrastate Service. An Interstate Adjustment may be applied based on intrastate usage as provided in Attachment D. The Interstate Adjustment shall be based on intrastate usage at the Product Hierarchy Level and will equal the difference between (a) such usage priced at Tariff less Tariff discounts and (b) such usage priced at the Interstate Adjustment Rate in Attachment D less Discount One discounts. The Interstate Adjustment for a given month shall not exceed interstate billing for such month.

-2-

6.3. Customer shall pay all Tariff charges including, without limitation, fixed charges, feature charges, enhanced 800 charges, access facility charges, installation and other non-recurring charges.

6.4. Sprint may modify or withdraw Tariffs from time to time, which may include discontinuation of any Service without Sprint's liability.

7. RELATIONSHIP OF PARTIES. Neither this Agreement nor the provision of Service creates a joint venture, partnership or agency between Sprint and Customer. Customer is the service provider with respect to End Users. Sprint is merely a supplier to Customer with no relationship to End Users.

8. USE OF NAME AND MARKS. This Agreement confers no right to use the name, service marks, trademarks, copyrights, patents or CIC of either Party except as expressly provided herein. Neither Party shall take any action which would compromise the registered copyrights or service marks of the other.

Sprint's name is proprietary and nothing herein constitutes a general license authorizing its use. Customer may not: (a) promote or advertise Sprint's name or capabilities to End Users or prospective End Users; (b) attempt to sell its service using Sprint's name; or (c) represent to End Users or prospective End Users that they would be Sprint customers or that they may obtain Sprint service from Customer.

Sprint shall provide Customer written notice of a breach of this paragraph. Customer shall use its best efforts to immediately cure such breach, advising Sprint of its actions. If, in Sprint's opinion, Customer fails to effect a cure within 30 days of Sprint's notice, then Sprint may, at its option, terminate the Agreement pursuant to Subparagraph 4.2.

Sprint's provision of Network Extension Service may result in End Users being notified by their LEC that Sprint is their designated PIC. Therefore, to avoid confusion and potential "slamming" complaints, Sprint hereby authorizes Customer to use Sprint's name under the following conditions to provide End Users from whom Customer has obtained a PIC Authorization with a fulfillment piece containing the following Notice (the "Notice"):

We want to affirm how _____ will provide your long distance service. Although _____ will provide your invoice and customer service, we use major national carriers to actually carry your long distance calls.

After subscribing to our service, you may receive a notice from your local phone company which says that your long distance "Carrier of Choice" is Sprint. _____ has selected Sprint as the long distance network provider it will use to handle your calls. That selection was

-3-

based on your quality and price requirements. If you have any questions about your order, please call our toll free customer service number, 1-800-____-_____.

If Customer subscribes to Sprint Express, calls placed by End Users to the Sprint ITFS number will be answered "Sprint operator." This may cause confusion if the End User does not know its calls are being carried on the Sprint network. Therefore, to avoid such confusion, Sprint hereby authorizes Customer to provide End Users who use Sprint Express with a fulfillment piece containing the following notice (the "Sprint Express Notice"):

"International call origination may be provided by a Sprint operator."
Sprint may withdraw consent to use the Sprint Express Notice upon 10 days written notice.

Customer shall obtain Sprint's prior written approval of any fulfillment piece in which the Notice or the Sprint Express Notice will appear.

9. SERVICE. Services provided hereunder are described in Exhibit 2.

10. LEGAL COMPLIANCE; REMEDIES FOR NON-COMPLIANCE.

10.1. Customer represents and warrants that (a) it has obtained all licenses and regulatory authority necessary to operate as contemplated herein and (b) it will not submit an End User ANI for activation without obtaining and maintaining a proper PIC Authorization.

10.2. If, in Sprint's opinion, Customer breaches this paragraph, Sprint may (a) terminate this Agreement pursuant to Subparagraph 4.1(e), (b) reject End User ANIs submitted by Customer for placement under its account, and/or (c) discontinue Promotional Discounts. If Sprint elects option (b) or (c), it will resume accepting ANIs and/or reinstate Promotional Discounts only after Customer produces evidence satisfactory to Sprint that it has cured its breach.

11. CUSTOMER RESPONSIBILITIES.

11.1. Customer shall not be relieved of any obligation hereunder by virtue of the fact that Service is ultimately used by End Users.

11.2. Customer shall produce for Sprint's inspection, at Customer's expense, any PIC Authorization within 48 hours after Sprint's oral or written request, or within any shorter period required by a LEC or regulatory agency. If Customer fails to comply with this subparagraph then Sprint may (a) discontinue Promotional Discounts and/or (b) refuse to activate additional ANIs under Customer's account.

-4-

11.3. Customer shall reimburse Sprint for any charge assessed by a LEC for processing a PIC request initiated by Customer and pay Sprint a PIC Assessment Fee equal to 25% of such charge.

11.4. Customer shall be solely responsible for End User solicitation, service requests, creditworthiness, customer service, billing and collection.

11.5. Customer shall be financially liable for usage generated by each End User ANI activated by Sprint until such ANI is presubscribed to another IXC. Customer may request Sprint to block Network Extension Service to an ANI upon the End User's failure to pay Customer, subject to Customer's prior certification to Sprint that it has given the End User any notice required by law. Customer shall reimburse Sprint for expenses incurred to block an ANI.

11.6. Customer shall be solely liable for amounts it cannot collect from End Users, and billing adjustments it grants End Users, including adjustments for fraudulent charges, directory assistance or any other form of credit.

11.7. Customer shall comply with Sprint's network interface procedures when it orders its own access facilities.

12. SERVICE ACTIVATION. Sprint will use reasonable efforts to provide switched Service within 15 days, and dedicated Service within 30 days, following Customer's order, or the requested delivery date, whichever is later. These deadlines will be extended by the time it takes to address activation errors or obtain from Customer a complete and accurate order or PIC Authorization. Customer shall reimburse Sprint for LEC imposed fees resulting from a request to expedite Service.

13. PRICING; FORWARD PRICING; GENERAL CONDITIONS.

13.1. PRICING. Resale Solutions Base Rates and Promotional Discounts are contained in the Attachments hereto.

13.2. PRICES IN LIEU OF OTHER DISCOUNTS. Resale Solutions Base Rates and Promotional Discounts are extended in lieu of any other Tariff or contractual discount, special pricing, or discount term plan. Discounts upon discounts are only permitted if expressly provided for herein.

13.3. PRICES CONTINGENT ON PERFORMANCE. Resale Solutions Base Rates and Promotional Discounts are contingent on Customer's full performance of all terms of the Agreement.

If Customer fails to pay the undisputed portion of an invoice pursuant to Paragraph 17, all Service for which payment is past due may, at Sprint's option, be priced at Resale Solutions Base Rates.

13.4. PER MINUTE CHARGES. Resale Solutions Base Rates are invoiced based on Per Minute Charges utilizing the Rate Periods and Billing Increments in Attachment B.

13.5. SWITCHED ORIGINATION; TERMINATION AND 800 ORIGINATION CHARGES. Customer shall pay the charges specified in Attachment B for each originating minute and each terminating minute of an interstate call that originates and/or terminates in a Non-Bell Service Area.

13.6. PROMOTIONAL PRICING LEVELS. Customer will receive Discount One and Discount Two discounts applied only to Rate Elements as provided in Attachments C and D.

13.7. FORWARD PRICING. As a transition to the pricing hereunder, Discount Two discounts may be based for a period of time on the greater of Customer's actual Discount Two Monthly Volume of Service or a specified Forward Pricing Volume of Service. The Forward Pricing Volume of Service and the period during which it may be applied are specified in Attachment A.

13.8. PRICING CONTINGENT ON PRIMARY CARRIER STATUS. Pricing hereunder is contingent on Customer utilizing Sprint as its Primary Carrier for the Primary Carrier Services listed in Attachment A.

If 800 Service is a Primary Carrier Service then Customer shall (a) designate Sprint as its Primary Carrier in the 800 Service Management System database for all interstate 800 traffic that is not originated directly by Customer and (b) maintain access facilities sufficient to send at least 99% of its traffic to Sprint with no more than 2% blockage during the peak busy hour of Customer's average business day.

If Resale Connect One Plus is a Primary Carrier Service then 90% of all End User ANIs under Customer's control shall be PICed to Sprint during the Term.

If Resale Direct Extension is a Primary Carrier Service then 90% of all Dedicated Access End Users under Customer's control shall be placed on the Sprint network during the Term.

If Resale Direct is a Primary Carrier Service then Customer shall maintain access facilities sufficient to send to Sprint at least 99% of the traffic Customer does not terminate itself.

Customer shall produce, within 30 days following Sprint's request, evidence acceptable to Sprint that it is in compliance with this subparagraph. Failure to maintain Sprint as Primary Carrier

on any Primary Carrier Service will result in Service being provided hereunder at Carrier Transport Base Rates for the remainder of the Term. Customer may select a temporary back-up carrier for any period during which it is affected by a Sprint network outage.

14. SURCHARGES.

14.1. MINIMUM COMMITMENT SURCHARGE. Any month Customer fails to meet the Minimum Commitment stated on Attachment A, Customer shall pay a surcharge for Service provided during such month equal to 25% of the difference between the Minimum Commitment and Customer's Net Usage. The Minimum Commitment shall not relieve Customer of any credit or security obligation hereunder.

14.2. LEC CAP SURCHARGE. Any month Customer exceeds the Maximum Non-Bell Traffic Percentage specified in Attachment B for any Service type, Customer shall pay Sprint the per minute surcharge for such Service specified in Attachment B for each minute above the Maximum Non-Bell Traffic Percentage that originates from or terminates to a Non-Bell Service Area. Maximum Non-Bell Traffic Percentages will be calculated independently for originating and terminating minutes at each Product Hierarchy Level.

14.3. MINIMUM AVERAGE TIME REQUIREMENT SURCHARGE. Any month Customer fails to equal or exceed the Minimum Average Time Requirement specified in Attachment B for Services specified in Attachment B, then Customer shall pay Sprint a per minute surcharge on such usage equal to (a)

the per minute surcharge specified in Attachment B multiplied by (b) the difference between (i) the number of minutes the Service was used and (ii) the number of calls using the Service multiplied by the Minimum Average Time Requirement. This surcharge shall be calculated at each Product Hierarchy Level.

14.4. NONCOMPLETE CALL SURCHARGE. Any month Customer exceeds the Maximum Noncomplete 800 Call Percentage for interstate Resale Direct Toll Free, Resale Direct Toll Free Extension, and/or interstate Resale Connect Toll Free traffic as stated on Attachment B, Customer shall pay Sprint a surcharge equal to the amount stated in Attachment B for each Noncomplete 800 Call in excess of the Maximum Noncomplete 800 Call Percentage. This surcharge shall be calculated at each Product Hierarchy Level.

14.5. MINIMUM PORT USAGE SURCHARGE. Any month Customer fails to equal or exceed the Minimum Port Usage per Active Resale DirectPort as stated on Attachment A, Customer shall pay Sprint a surcharge on its Ultra WATS usage equal to the difference between (a) Customer's actual Net Usage for Resale Direct Service and (b) the Minimum Port Usage multiplied by the total

-7-

number of Active Resale Direct Ports. This surcharge shall be calculated at each Product Hierarchy Level.

15. SERVICE CHARGES. Customer shall pay Sprint a \$25 service charge for each End User ANI or 800 number Customer submits for activation (a) that Sprint determines lacks a proper PIC Authorization or (b) that requires Sprint to disconnect or transfer such ANI or 800 number from Sprint's data base before placing it within Customer's CTIS hierarchy. However, the service charge provided for in 15(b) will be waived if such End User ANIs, or 800 numbers, do not exceed 15% of the total ANIs, or 800 numbers, submitted by Customer during the previous 90 days.

16. SPECIAL RATE ADJUSTMENTS.

16.1. Sprint may, after 60 days notice to Customer, adjust the price of Service provided hereunder to reflect (a) changes in the average per-minute rate of interstate LEC access charges imposed on Sprint and/or (b) changes in international net settlements or currency exchange rates.

16.2. If during any period of 12 consecutive months the adjustments to a rate provided for herein exceed five percent of such rate, then Customer may terminate the Agreement pursuant to Subparagraph 4.3.

17. PAYMENT FOR SERVICE.

17.1. PAYMENT OBLIGATION. Customer shall pay Sprint for Service pursuant to the terms of this Agreement and applicable Tariffs.

17.2. CALL DETAIL. Sprint will provide Customer with a call detail media containing Customer's Service usage. Sprint may, at its option, and without liability to Customer, modify the format of the call detail media following 30 days written notice to Customer.

17.3. PAYMENT PROCEDURE. Sprint will invoice Customer monthly for Service provided hereunder. Invoices shall be due and payable upon receipt. Undisputed charges for Service that are not paid within 30 days after Customer's receipt of the invoice shall be past due. Interest will be charged on past due amounts beginning the 31st day following Customer's receipt of the invoice at a rate equal to the lesser of 18% per annum or the maximum rate allowed by law.

The price of Service is exclusive of applicable taxes. Resale Solutions Base Rates and Promotional Discounts are contingent on Customer providing Sprint with certificates from

-8-

appropriate taxing authorities exempting Customer from taxes that would otherwise be invoiced hereunder.

17.4. BILLING DISPUTES. If Customer in good faith disputes any invoiced amount it shall submit to Sprint, within 30 days following receipt of the invoice for payment of the undisputed portion of the invoice and written documentation identifying and substantiating the disputed amount. If the Parties, in good faith, cannot resolve the dispute within a reasonable

period of time, then the dispute shall be settled by arbitration pursuant to Paragraph 22.

18. PAYMENT SECURITY. Provision of Service is contingent on credit approval by Sprint. Upon request by Sprint, Customer shall provide Sprint with financial statements, or other indications of Customer's financial circumstances. If Customer's financial circumstances or payment history is or becomes unacceptable to Sprint, then Sprint may require a deposit, irrevocable letter of credit or other form of security acceptable to Sprint. Customer's failure to provide such security within 20 days following Sprint's request shall constitute a default under Subparagraph 4.2.

19. INDEMNIFICATION. Each Party (as "indemnitor") shall indemnify, defend and hold harmless the other Party (as "Indemnitee") from and against any and all liabilities, costs, damages, fines, assessments, penalties and expenses (including reasonable attorneys' fees) resulting from (a) breach of any provision in this Agreement by Indemnitor, its employees or agents, or (b) any misrepresentation or illegal act of Indemnitor, its employees or agents, arising out of the Indemnitor's performance hereunder.

Customer shall indemnify, defend and hold Sprint harmless from and against any and all liabilities, costs and damages (including reasonable attorneys' fees) resulting from any claim arising out of: (i) use of Service by Customer to extend its service to End Users; (ii) use of Service by Customer or End Users; (iii) libel, slander, or patent or trademark infringement arising from the combination or use of Service with Customer provided service or facilities; or (iv) Customer's marketing, advertising, sales or promotional activities.

20. LIMITATION OF LIABILITY. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING LOSS OF PROFITS, LOSS OF CUSTOMERS OR GOODWILL ARISING FROM THE RELATIONSHIP OR CONDUCT OF BUSINESS HEREUNDER.

21. WARRANTIES. WARRANTIES AND REMEDIES SET FORTH IN THE AGREEMENT AND SPRINT'S TARIFFS ARE THE ONLY WARRANTIES AND REMEDIES WITH RESPECT TO THE SERVICE, AND ARE IN LIEU OF ANY OTHER WARRANTY, WRITTEN OR ORAL, STATUTORY, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

22. ARBITRATION. Any dispute arising out of or relating to the Agreement will be finally settled by arbitration in accordance with the rules of the American Arbitration Association.

-9-

The arbitration will be governed by the United States Arbitration Act, 9 U.S.C. Sec. 1, et seq., and judgment upon the award rendered by the arbitrator(s) may be entered by any court with jurisdiction. The arbitration will be held in the Kansas City, MO metropolitan area.

23. NOTICES. Notices, requests or other communications (excluding invoices) hereunder shall be in writing and sent by certified mail addressed as follows:

If to Sprint: Sprint Communications Company
5420 LBJ Freeway, Suite 1700
Dallas, TX 75240
Attention: Vice President-Diversified Brands

With copy to: Sprint Communications Company
8140 Ward Parkway
Kansas City, MO 64114
Attention: Vice President Law-Marketing/Sales

If to Customer: GCI Corp.
2550 Denali, Suite 1105
Anchorage, AK 99503
Attention: Distribution Cost Manager

24. ASSIGNMENT. Neither this Agreement nor any right or obligation hereunder may be assigned or delegated to any other entity without the prior written consent of the other Party, which consent shall not be unreasonably withheld.

25. EXCUSABLE DELAY. In the event of an Excusable Delay the performance obligations of the Parties hereunder shall be suspended and the Term shall be extended for a period of time equal to the length of such delay; provided, however, the affected Party shall promptly notify the other Party of the nature of the delay and the estimated time that it will continue. If an Excusable Delay continues for more than 90 days and has a material adverse impact on the other Party, such other Party may, at its option and upon written notice to the other Party, terminate this Agreement without liability other than payment for Service provided prior to termination. Notwithstanding the foregoing, neither Party may invoke this paragraph with

regard to any event listed in Paragraph 4 or to delay performance of Paragraphs 17 or 18.

26. CAPTIONS. Captions of the paragraphs and subparagraphs herein are for convenience only, are not part of the Agreement and shall not define or limit any of the Agreement's terms.

27. CHOICE OF LAW. This Agreement shall be construed in accordance with, and governed by, the laws of the State of Kansas.

-10-

28. RULES OF CONSTRUCTION. No rule of construction requiring interpretation against the draftsman shall apply in the interpretation of this Agreement.

29. ENTIRE AGREEMENT. This Agreement, together with the attached Exhibits and Attachments, represents the entire agreement of the Parties with respect to the subject matter hereof and supersedes all other agreements between the Parties relating to the Service.

30. MODIFICATION OF AGREEMENT. This Agreement, including its Exhibits and Attachments, may be amended, modified or supplemented only by a separate written document executed by both Parties with the formality of this Agreement.

31. WAIVER OF TERMS. No term or provision herein shall be waived, and no breach or default excused, unless such waiver or consent is in writing and signed by the Party to which it is attributed. No consent by a Party to, or waiver of, a breach or default by the other, whether express or implied, shall constitute a consent to, or waiver of, any subsequent breach or default.

32. PARTIAL INVALIDITY. If any provision of this Agreement shall be invalid or unenforceable, such invalidity or unenforceability shall not invalidate or render the Agreement unenforceable, but rather the Agreement shall be construed as if not containing the invalid or unenforceable provision. However, if such provision is an essential element of this Agreement, the Parties shall promptly attempt to negotiate a substitute therefor.

33. CUMULATIVE REMEDIES. Except as otherwise provided herein, the remedies provided for in this Agreement are in addition to any other remedies available at law or in equity.

34. EXPIRATION OF OFFER. Sprint's offer to enter into this Agreement shall be withdrawn if the Agreement is not executed by both Parties within 45 days after the Proposal Date stated on Attachment A.

Executed and made effective as provided herein.

- ----- SPRINT COMMUNICATIONS COMPANY L.P.
(Customer)

By: _____ By: _____
Title: _____
Date: _____ Date: _____

-11-

EXHIBIT 1
DEFINITIONS

Capitalized terms appearing in bold print in the Agreement, its Exhibits and Attachments are defined as follows:

"Active Resale Direct Port" means a Customer access port (DS-0 equivalent) connected to Sprint and activated as Resale Direct Service.

"ANI" means a calling telephone number identification which is forwarded to an IXC by a LEC as a call is placed.

"Associated Location" means a physical premise to or from which Sprint provides Service which is (a) owned or leased by Customer, (b) occupied by a business in which Customer has an equity interest of at least a 25%; or (c) occupied by a franchisee of Customer.

"Attachment" means a supplement attached to, and a part of, the Agreement.

"Billing Increment" means a Tariffed billing increment, unless otherwise stated in Attachment B.

"Calling Card" means a card issued to an End User in Customer's name containing an authorization code that the End User may use to originate calls over Sprint's network as provided in Exhibit 2.

"Resale Connect FONcard Service" means a Service consisting of a Sprint authorization code incorporated into Customer's Calling Card which, together with Customer's service enhancements, is provided to End Users for use in originating calls over Sprint's network as provided in Exhibit 2.

"Resale Solutions Base Rates" means the prices provided herein for Resale Solutions Service.

"Resale Solutions Service" means switched Service purchased under the Agreement and invoiced under CTIS.

"CIC" means an IXC carrier identification code.

"CTIS" means Sprint's Carrier Transport Invoicing System.

"Day Rate Period" means the Tariff day rate period unless otherwise specified herein.

"Discount One" means a Rate Element specific discount that (1) is based on Customer's Discount One Monthly Volume of Service and (2) is applied to usage at the Service Hierarchy Level that has been priced at Resale Solutions Base Rates.

-12-

"Discount One Monthly Volume of Service" means the volume of Customer's monthly usage, at each Product Hierarchy Level, for a specific Rate Element priced at Resale Solutions Base Rates.

"Discount Rate Period" means the Tariff international discount rate period unless otherwise specified herein.

"Discount Three" means a Rate Element specific discount that (1) is based on Customer's Discount Three Monthly Volume of Service and (2) is applied at the Product Hierarchy Level or the Service Hierarchy Level to interstate or international usage to the LATAs or countries specified in Attachment C.

"Discount Three Monthly Volume of Service" means the volume of Customer's monthly usage, at the Product Hierarchy Level or Service Hierarchy Level, of interstate or international minutes to the specific LATAs or countries identified in Attachment C and priced based on the usage levels and Rate Periods specified in Attachment C.

"Discount Two" means a Rate Element specific discount that (1) is based on Customer's Discount Two Monthly Volume of Service and (2) is applied to usage at the Service Hierarchy Level that has been priced at Resale Solutions Base Rates less Discount One discounts.

"Discount Two Monthly Volume of Service" means the volume of Customer's monthly usage, at the Master Hierarchy Level, of all Resale Solutions Services, including directory assistance Services, priced at Resale Solutions Base Rates after the application of Discount One discounts, but prior to the application of Discount Two discounts. Discount Two Monthly Volume of Service does not include Resale Solutions Service charges that are not based on usage, Clearline Service charges, Private Line charges, any charge associated with access (dedicated or non-dedicated), facilities charges, any usage related fixed charge, any non-recurring charge such as installation charges, taxes, surcharges, transfer fees, or interest.

"Early Termination Charge" means the charge imposed for terminating the Agreement prior to expiration of the Term as provided in Paragraph 5 thereof.

"Economy Rate Period" means the Tariff international economy rate period.

"End User" means a customer of Customer to whom Sprint extends Network Extension Service at a Non-Associated location.

"Evening Rate Period" means the Tariff evening rate period unless otherwise specified herein.

"Excusable Delay" means any event that prevents a Party from performing its obligations hereunder and that is beyond the reasonable control and without the fault or negligence of such Party.

"Exhibit" means a supplement attached to, and a part of, the Agreement.

-13-

"Forward Pricing Volume of Service" means the volume of service specified in Attachment A upon which Discount Two discounts may be based as provided in

Subparagraph 13.7 of the Agreement.

"Interstate Adjustment" means the adjustment under Subparagraph 6.2 to the invoice for interstate usage that is based on the level of intrastate usage.

"Interstate Adjustment Rate" means the rate identified in Attachment D that is used to determine the Interstate Adjustment as provided in Subparagraph 6.2.

"IXC" means interexchange carrier.

"LEX" means local exchange carrier.

"Master Hierarchy Level" means billing hierarchy level 1.

"Maximum Noncomplete 800 Call Percentage" means, for each month, for each Service type, the ratio, expressed as a percentage, of (i) the aggregate number of Noncomplete 800 Calls during such period divided by (ii) the aggregate number of 800 calls during such period. This percentage shall be calculated at each Product Hierarchy Level.

"Maximum Non-Bell Traffic Percentage" means, for each month, the ratio, expressed as a percentage, of (i) the number of minutes during such period that originate from, or terminate in, a Non-Bell Service Area, divided by (ii) the total number of minutes during such period. Maximum Non-Bell Traffic Percentages will be calculated independently for originating and terminating minutes at the Product Hierarchy Level.

"Minimum Average Time Requirement" means the minimum average call duration, expressed in minutes, for Services as specified in Attachment B. Minimum Average Time Requirement calculations will be made at each Product Hierarchy Level.

"Minimum Commitment" means the minimum monthly usage commitment stated on Attachment A. The calculation to determine whether Customer has met the Minimum Commitment shall be based on Customer's invoiced Net Usage.

"Minimum Port Usage" means the minimum Net Usage for Resale Direct Service stated on Attachment A that Customer shall generate per Active Resale Direct Port.

"Network Extension Service" means Service that Sprint extends to the Non-Associated Location of an End User.

"Net Usage" means the monthly amount invoiced for use of a Service net of Discount One, Discount Two and Discount Three discounts. Net Usage includes the following as they apply to particular Services: monthly per-minute usage charges invoiced under the Agreement; route advance charges;

-14-

real time ANI charges; switched origination and termination charges; directory assistance charges; Minimum Average Time Requirement Surcharges; Noncomplete Call Surcharges; FONcard surcharges; and LEC Cap Surcharges.

"Night/Weekend Rate Period" means the Tariff night/weekend rate period unless otherwise specified herein.

"Noncomplete 800 Call" means an attempted Resale Connect Toll Free, Resale Direct Toll Free, or Resale Direct Toll Free Extension call that is not completed to the called number for any reason.

"Non-Associated Location" means any physical premise to or from which Sprint provides Service that is not an Associated Location.

"Non-Bell Service Area" means the geographic service area of any "independent" LEC which is not a Bell Operating Company.

"Off Peak Rate Period" means (a) the Evening Rate Period and the Night/Weekend Rate Period for interstate traffic and (b) the Discount Rate Period and Economy Rate Period for international traffic.

"Peak Rate Period" means (a) the Day Rate Period for interstate traffic and (b) the Standard Rate Period for international traffic.

"Per Minute Charge" means the per minute charge for Service as set forth in Exhibit C based on Rate Periods and Billing Increments stated in Attachment B.

"PIC" means primary interexchange carrier.

"PIC Authorization" means an End User's selection of a PIC that meets the requirements of federal and state law.

"Primary Carrier" means the IXC designated by Customer as its first routing choice and primary overflow carrier.

"Primary Carrier Service" means the Service specified in Attachment A for which Sprint shall be Customer's Primary Carrier.

"Product Hierarchy Level" means the fifth level in the Customer billing hierarchy, and is directly above the Service Hierarchy Level which ties like Services together for purposes of reporting. Each Product Hierarchy Level is considered independently for calculation and application of Discount One, LEC Cap Surcharges, Minimum Average Time Requirement Surcharges, Noncomplete 800 Call Surcharges and Minimum Port Usage Surcharges.

-15-

"Promotional Discounts" is a collective reference to Discount One, Discount Two, Discount Three and Interstate Adjustments.

"Proposal Date" means the date indicated on Attachment A that the Agreement is offered by Sprint to Customer.

"Proprietary Information" means (a) written information of a Party which is clearly and conspicuously marked as proprietary or confidential or which is accompanied by written notice that such information is confidential, or (b) a verbal communication which is subsequently confirmed in writing to the other Party as confidential or proprietary information which (i) is maintained in confidence and secrecy by the disclosing Party, (ii) is valuable to the disclosing Party because of such confidence or secrecy, and (iii) is subject to the disclosing Party's reasonable efforts to maintain such confidentiality and secrecy. Proprietary Information shall not include information which (1) is at any time in the public domain other than through wrongdoing on the part of an entity owing a duty of confidentiality to the disclosing Party, (2) is within legitimate possession of the receiving Party without obligation of confidentiality, (3) is lawfully received from a third party having rights therein without restriction of the right to disseminate the information, (4) is independently developed without breach of any obligation of confidentiality through parties without access to or knowledge of such Proprietary Information, (5) is disclosed with prior written approval of the other Party, (6) is transmitted after the disclosing Party has received written notice from the receiving Party that it does not desire to receive further Proprietary Information, or (7) is obligated to be produced under order of a court of competent jurisdiction.

"Rate Element" means a jurisdictional element of the rate for a particular Service. For example, Resale Direct rates consist of separate Rate Elements for interstate, intrastate, Canada, Mexico domestic, Mexico international, other international, and directory assistance usage.

"Rate Periods" is a collective reference to the Day Rate Period, Discount Rate Period, Economy Rate Period, Evening Rate Period, Night/Weekend Rate Period, Off Peak Rate Period, Peak Rate Period, and Standard Rate Period.

"Service" means the service identified in the Exhibits and Attachments that Sprint shall provide and Customer shall purchase hereunder.

"Service Hierarchy Level" means the sixth and lowest level in the Customer's billing hierarchy.

"Standard Rate Period" means the Tariff standard rate period for international Service unless otherwise specified herein.

"Tariff(s)" means any applicable tariff filed by Sprint with the Federal Communications Commission for interstate or international Service (including Tariff revisions) and/or any applicable tariff filed with a state regulatory commission for intrastate Service. Should Sprint no longer file Tariffs in

-16-

order to provide Service, then Tariff shall mean the standard rate tables and terms and conditions that replace such Tariffs.

"Term" means the term of the Agreement as provided in Paragraph 3 thereof.

EXHIBIT 2

SERVICES

The following Services are provided pursuant to the Agreement:

1. OUTBOUND SERVICE.

1.1. RESALE DIRECT and RESALE DIRECT EXTENSION. Resale Direct and Resale Direct Extension is provided hereunder for switched outbound traffic with interstate or international termination that originates over dedicated special access (DS-1 or DS-3) circuits.

1.2. RESALE DIRECT. Resale Direct is Service subscribed to, and paid for, by Customer that originates from an Associated Location. Carrier Ultra WATS may be obtained only by a carrier with its own CIC.

1.3. RESALE DIRECT EXTENSION. Resale Direct Extension is Service subscribed to, and paid for, by Customer but connected directly to a Non-Associated Location.

1.4. RESALE CONNECT ONE PLUS. Resale Connect One Plus is provided hereunder for switched access outbound traffic utilizing Feature Group D protocol having interstate or international termination.

2. TOLL FREE SERVICE.

2.1. RESALE DIRECT TOLL FREE and RESALE DIRECT TOLL FREE EXTENSION. Resale Direct Toll Free and Resale Direct Toll Free Extension is provided hereunder for Customer switched inbound traffic with interstate or international origination that terminates over dedicated special access (DS-1 or DS-3) circuits.

2.2. RESALE DIRECT TOLL FREE. Resale Direct Toll Free is Toll Free Service subscribed to, and paid for, by Customer that terminates to an Associated Location. Resale Direct Toll Free may be obtained only by a carrier with its own CIC.

2.3. RESALE DIRECT TOLL FREE EXTENSION. Resale Direct Toll Free Extension is Toll Free Service subscribed to, and paid for, by Customer but connected directly to an Non-Associated location.

2.4. RESALE CONNECT TOLL FREE. Resale Connect Toll Free is provided hereunder for switched inbound traffic, terminating on Feature Group D protocol, having interstate or international origination.

2.5. INTERNATIONAL TOLL FREE ORIGINATION. International Toll Free Service ("ITFS") shall be provided subject to availability. Because of a limited quantity of Toll Free numbers in some countries, Sprint may, as it deems appropriate, after 30 days notice, disconnect any ITFS number which does not generate at least 60 minutes of usage during any period of three consecutive months. ITFS traffic must be terminated directly in the continental U.S. If reorigination occurs, ITFS traffic is subject to foreign PTT interruption and is beyond Sprint's control. ITFS Service shall be provided pursuant to Tariff, including rates, discounts and Toll Free number charges, unless otherwise provided herein.

3. FONVIEW. FONview is not available for Service billed under CTIS.

4. DIRECTORY ASSISTANCE.

4.1. INTERSTATE. Interstate directory assistance provided hereunder must have a domestic origination over Customer's circuits. Sprint may modify directory assistance prices provided in the Agreement to reflect changes in LEC directory assistance charges.

4.2. INTERNATIONAL. International directory assistance is provided

pursuant to Tariff. International directory assistance must have a domestic origination over Customer's circuits and request numbers must be located in the countries listed in Sprint's FCC Tariff 1, Section 2.1. International directory assistance may be obtained by calling a Sprint operator who will request the number from the appropriate country's international operator. Sprint may modify directory assistance prices provided in the Agreement to reflect changes in directory assistance charges of other countries.

4.3. TOLL-FREE DIRECTORY LISTINGS. Customer's Toll Free numbers shall not be eligible for any toll-free directory listing at Sprint's expense.

5. RESALE CONNECT FONCARD SERVICE.

5.1. RESALE CONNECT FONCARD SERVICE consists of an authorization code issued by Sprint which Customer will incorporate into a Calling Card. The Calling Card, together with Customer provided service enhancements, will be provided in Customer's name to End Users who may use the card to originate calls over Sprint's network in the contiguous U.S. and selected countries. Sprint will transport Customer's Calling Card traffic with the same quality as Sprint FONcard traffic.

5.2. AVAILABILITY. Resale Connect FONCARD Service is provided subject to (a) availability and compatibility of facilities, (b) Customer fulfillment, and (c) 800 access origination, which Customer agrees may be withheld by Sprint in certain LATAs because of facility constraints.

-19-

5.3. ACTIVATION. Sprint will provide Customer with activated authorization codes to be imprinted on Customer's Calling Cards. The codes will be provided within 30 days following Customer's request and notice to Sprint of Customer's fulfillment vendor.

5.4. TOLL FREE ACCESS. Customer may elect Calling Card access to a Sprint operator using either a "Generic" or "Branded" Toll Free access number. The operator response to a Generic Toll Free call will be similar to: "Long Distance, may I help you?" Calls to a Branded access number will be answered by an operator assigned exclusively to Customer. Operator response to Branded access calls will be similar to: "(CUSTOMER) Long Distance Operator."

Customer shall pay a non-recurring charge for establishing account access as provided in Attachment B.

5.5. SERVICE REPRESENTATIVE. Sprint will designate a representative to provide Customer service. This representative will not be available for direct contact by End Users.

5.6. NON-EMERGENCY DEACTIVATION. Sprint will advise Customer of the process for requesting non-emergency deactivation of an authorization code. Sprint may periodically deactivate unused authorization codes to minimize potential fraud. Sprint will notify Customer of any such deactivation. Emergency deactivation is provided for in Subparagraph 5.9 of this Attachment.

5.7. REMEDY FOR SERVICE FAILURE. Notwithstanding anything to the contrary in Subparagraph 4.1(e) of the Agreement, Customer's sole and exclusive remedy for failure of a particular Resale Connect FONcard Service shall be discontinuation of the affected Service subject to Paragraph 2.5 of the Agreement.

5.8. CUSTOMER OBLIGATIONS. Customer shall, at Customer's expense: (a) design, manufacture and distribute its Calling Cards; (b) solicit End Users in its own name in compliance with Paragraph 8 of the Agreement; (c) address End User service requests; (d) determine End User creditworthiness; (e) define its relationship with End Users relative to its Calling Card service by tariff or contract; (f) provide Calling Card fulfillment using a bonded fulfillment vendor; (g) supply its fulfillment vendor with necessary End User information; (h) maintain its own End User data base; (i) provide End User customer service, billing and collection; (j) maintain its own End User customer service number, which shall be printed on each Calling Card; (k) establish internal Calling Card management procedures; (l) monitor for fraud and code abuse; and (m) cooperate and interface with Sprint to prevent fraud or code abuse as provided herein.

Customer shall provide Sprint with all order authorizations, service applications and information that Sprint requires to establish and maintain Resale Connect FONcard Service and proper invoicing.

-20-

Customer shall be liable for (a) all usage charged to an activated authorization code after the code is provided to Customer or its agent, (b) non-payment by End Users, and (c) billing adjustments granted to End Users as provided in Subparagraph 11.6 of the Agreement.

Customer shall indemnify and hold Sprint harmless from any claim or damages resulting from Sprint's deactivation of an authorization code at Customer's request.

5.9. CODE ABUSE; FRAUD; EMERGENCY DEACTIVATION. Sprint and Customer will cooperate to deter Calling Card fraud and code abuse. Sprint will monitor usage of Customer Calling Cards to detect fraud or code abuse in the same manner that it monitors FONcard usage of its own customers. This activity will not create any liability on the part of Sprint resulting from code abuse or fraud. Customer shall be liable for all usage charged to an activated authorization code that results from fraud or code abuse.

Sprint will notify Customer of (a) the process Customer may use to obtain emergency deactivation of a lost or stolen Calling Card and (b) the process Sprint will use to notify Customer of suspected fraud or code abuse.

Customer shall maintain a 7 day per week, 24 hour per day, contact that Sprint will immediately notify if fraud or code abuse is suspected. Customer shall advise Sprint within 30 minutes after receiving such notice whether it wants the authorization code deactivated. If Sprint is unable to reach Customer's contact, or if Customer fails to respond to Sprint's notice within 30 minutes, Sprint may, in its discretion, deactivate the authorization code and advise Customer of its actions. Sprint shall incur no liability for such deactivation.

Sprint shall be liable for calls charged to an authorization code after a period of 4 hours following an appropriate emergency deactivation request.

Requests for credit pursuant to this subparagraph shall be supported by appropriate documentation. Sprint will investigate and, in its discretion, either approve or reject such requests. Notwithstanding anything in Paragraph 18 of the Agreement, the amount of any credit request under this subparagraph shall not be deducted as a disputed charge prior to payment of an invoice.

-21-
Attachment A-1

A.3. TERM OF AGREEMENT: 24 months

A.13.7. FORWARD PRICING - FORWARD PRICING VOLUME OF SERVICE

Not Applicable

A.13.8. PRIMARY CARRIER REQUIREMENT. CUSTOMER SHALL UTILIZE SPRINT AS ITS PRIMARY CARRIER FOR THE FOLLOWING PRIMARY CARRIER SERVICES

International Terminating Direct (Customer will be relieved of any requirement to give Sprint traffic for any country or portion thereof that customer establishes a Direct agreement.)

A.14.1. MINIMUM COMMITMENT:

MONTHS	CARRIER TRANSPORT DIRECT INTERNATIONAL MONTHLY NET USAGE COMMITMENT
-----	-----
1-24	Exclusive international termination with A.13.8 exception

A.14.5. MINIMUM PORT USAGE: \$100 MINIMUM NET DIRECT USAGE PER PORT

PROMOTIONAL ACF/COC/EFC CHARGES

All ACF Charges will be per applicable tariff.
Monthly recurring COC charges will be \$2.50 per port.
Monthly recurring EFC charges will be \$5.50 per port when Customer utilizes Sprint's entrance facilities.

INTERNATIONAL FORECAST SURCHARGE.

To enable Sprint to adequately forecast demand for international capacity, Customer must provide Sprint with a forecast of projected

usage (referred to as the "International Usage Forecast") to any country to which Customer anticipates generating more than 50,000 MOUs during any month (referred to as a "High Usage Country").

Customer shall pay Sprint a monthly surcharge on usage to each High Usage Country equal to \$0.10 for each MOU (a) above 62,500 MOUs to such country if Customer does not submit an International Usage Forecast, or (b) above 125% of the usage to such country that is forecasted in Customer's International Usage Forecast.

A.34 PROPOSAL DATE: MAY 8, 1996

Attachment A-2

INTERNATIONAL USAGE FORECAST

COUNTRY	MINUTES/MONTH
-----	-----
Canada	220,000
Philippines	60,000
United Kingdom	50,000

Attachment B-1

B.13.4. BILLING INCREMENTS/USAGE PERIODS FOR PER MINUTE CHARGES.

Service will be invoiced based on Per Minute Charges utilizing Tariffed Rate Periods and Tariffed Billing Increments, unless specifically set forth below:

Service Type/ Rate Element	Initial Billing Increment (sec)	Additional Billing Increment (sec)
Interstate Direct	18	6
Canada Term. Direct	30	6
Mexico US Element Direct	30	6
Mexico Int'l. Element Direct	60	60
Other Int'l. Direct	30	6
Interstate Direct Toll Free	18	6
Canada Orig. Direct Toll Free	30	6
Mexico Direct Toll Free	60	60
Other Int'l. Direct Toll Free	30	6

B.13.5. NON-BELL SWITCHED ORIGINATION/TERMINATION/800 ORIGINATION CHARGE.

Customer shall pay the following charges for each minute of a switch interstate call originating or terminating in a Non-Bell Service Area:

\$0.015 per minute - applied to all non-Bell terminating minutes for Direct
 \$0.015 per minute - applied to all non-Bell originating minutes for Direct Toll Free

B.14.2 LEC CAP MAXIMUM NON-BELL TRAFFIC.

Service Type	Maximum Originating Non-Bell Traffic %	Maximum Terminating Non-Bell Traffic %	Non-Bell Surcharge
Direct	N/A	20%	\$0.025
Direct Toll Free	20%	N/A	\$0.025

B.14.3. MINIMUM AVERAGE CALL DURATION: Minimum Average Time Requirement (MATR) shall not apply unless specifically set forth below:

Service Type	MATR	MATR Surcharge
N/A	N/A	N/A

MONTHLY RECURRING 800 CHARGES:

Customer's 800 numbers (Direct Toll Free) requiring 800 Toll-free Directory Assistance Listings will be charged a Monthly Recurring Charge of \$13.00 per month per 800 number requiring such listing.

B.14.4. MAXIMUM NONCOMPLETE CALL PERCENTAGE.

Direct Toll Free Usage Type (Rate Element)	Maximum Noncomplete 800 Call Percentage	Per Call Surcharge
Intrastate/Interstate	10%	\$0.04
International/Canadian	10%	\$0.25

Attachment C-1

INTERSTATE CARRIER DEDICATED SERVICE

BASE RATES

LATA Group	Peak	Direct OffPeak	Direct Toll Free Peak	OffPeak
1	\$0.0639	\$0.0668	\$0.0790	\$0.760
2	\$0.0721	\$0.0691	\$0.1380	\$0.1380
3	\$0.0739	\$0.0715		
4	\$0.0763	\$0.0738		
5	\$0.0786	\$0.0762		
6	\$0.1209	\$0.1209		

SEE LATA GROUP DESCRIPTIONS. CARRIER ULTRA WATS LATA GROUP 6 RATES ARE NOT ELIGIBLE FOR DISCOUNT 2. CARRIER ULTRA 800 LATA GROUP 2 RATES ARE NOT ELIGIBLE FOR DISCOUNT 2.

INTERSTATE USAGE ORIGINATING FROM/TERMINATING TO NON-BELL EXCHANGES WILL INCUR AN ADDITIONAL PER MINUTE INTERSTATE SWITCHED ORIGINATION/TERMINATION CHARGE AS INDICATED ON ATTACHMENT B.

TWO YEAR TERM

Discount 1

Discount 1 Monthly Volume of Service	Peak	Direct OffPeak	Direct Toll Free Peak	OffPeak
\$0 +	5.0%	5.0%	5.0%	5.0%

Discount 2

Monthly Volume of Carrier Transport Service	Peak	Direct OffPeak	Direct Toll Free Peak	OffPeak
\$ 0 - \$ 99,999	0.0%	0.0%	0.0%	0.0%
\$100,000 - \$149,999	18.0%	18.0%	18.0%	18.0%
\$150,000 - \$249,999	20.0%	20.0%	20.0%	20.0%
\$250,000 - \$499,999	24.0%	24.0%	24.0%	24.0%
\$500,000 +	26.0%	26.0%	26.0%	26.0%

Attachment C-2

Interstate Direct LATA Groups

GROUP 1

- 128 Boston, MA
- 132 New York Metro
- 224 Newark, NJ
- 228 Philadelphia, PA
- 236 Washington, DC
- 340 Detroit, MI
- 358 Chicago, IL
- 426 Raleigh, NC
- 438 Atlanta, GA
- 460 Miami, FL
- 490 New Orleans, LA
- 524 Kansas City, MO
- 552 Dallas, TX
- 560 Houston, TX
- 628 Minneapolis, MN
- 656 Denver, CO
- 666 Phoenix, AZ
- 674 Seattle, WA
- 722 San Francisco, CA
- 730 Los Angeles, CA

GROUP 2

- 222 Trenton, NJ
- 234 Pittsburgh, PA
- 238 Baltimore, MD
- 248 Richmond, VA
- 320 Cleveland, OH

324 Columbus, OH
336 Indianapolis, IN
430 Greenville, SC
452 Jacksonville, FL
458 Orlando, FL
468 Memphis, TN
470 Nashville, TN
480 Mobile, AL
482 Jackson, MS
520 St. Louis, MO

536 Oklahoma City, OK
538 Tulsa, OK
558 Austin, TX
566 San Antonio, TX
635 Cedar Rapids, IA
660 Utah
721 Las Vegas, NV
732 San Diego, CA
920 Connecticut
922 Cincinnati, OH

GROUP 3

130 Rhode Island
133 Poughkeepsie, NY
134 Albany, NY
136 Syracuse, NY
138 Binghamton, NY
140 Buffalo, NY
252 Norfolk, VA
322 Youngstown, OH
325 Akron, OH
326 Toledo, OH
328 Dayton, OH
348 Grand Rapids, MI
354 Madison, WI
356 Milwaukee, WI
374 Springfield, IL
420 Asheville, NC
422 Charlotte, NC
434 Columbia, SC
454 Gainesville, FL
456 Daytona Beach, FL
462 Louisville, KY
476 Birmingham, AL
477 Huntsville, AL
478 Montgomery, AL
486 Shreveport, LA
521 Columbia, MO
522 Springfield, MO
528 Little Rock, AR
532 Wichita, KS
534 Topeka, KS
540 El Paso, TX

542 Midland, TX
544 Lubbock, TX
548 Wichita Falls, TX
564 Corpus Christi, TX
630 Sioux City, IA
632 Des Moines, IA
634 Davenport, IA
644 Omaha, NE
646 Grand Island, NE
658 Colorado Spgs, CO
672 Portland, OR
726 Sacramento, CA
952 Tampa, FL
974 Rochester, NY

GROUP 4

126 Springfield, MA
244 Roanoke, VA
246 Culpepper, VA
330 Evansville, IN
332 South Bend, IN
334 Auburn/Hunt, IN
338 Bloomington, IN

346 Lansing, MI
350 Green Bay, WI
366 Bloomington, IL
368 Peoria, IL
370 Champ.-Urban, IL
424 Greensboro, NC
428 Wilmington, NC
432 Florence, SC
436 Charleston, SC
440 Savannah, GA
442 Augusta, GA
444 Albany, GA
446 Macon, GA
448 Pensacola, FL
450 Panama City, FL
472 Chattanooga, TN
474 Knoxville, TN
488 Lafayette, LA
492 Baton Rouge, LA
546 Amarillo, TX
550 Abilene, TX

554 Longview, TX
556 Waco-Temple, TX
562 Beaumont, TX
568 Brownsville, TX
570 Bryan, TX
620 Rochester, MN
624 Duluth, MN
626 St. Cloud, MN
636 Fargo-Brainerd, ND
668 Tucson, AZ
676 Spokane, WA
720 Reno, NV
728 Fresno, CA
736 Monterey, CA
738 Stockton, CA
924 Erie, PA
937 Richmond, IN
939 Ft. Myers, FL
953 Tallahassee, FL
956 Bristol/JoCty, TN
958 Lincoln, NE
973 Palm Springs, CA

GROUP 5

120 Maine
122 New Hampshire
124 Vermont
220 Atlantic City, NJ
226 Capital, PA
230 Altoona, PA
232 Northeast, PA
240 Hagerstown, MD
242 Salisbury, MD
250 Lynchburg, VA
254 Charleston, WV
256 Clarksburg, WV
342 Marquette, MI
344 Saginaw, MI
352 Eau Claire, WI
360 Rockford, IL
362 Cairo, IL
364 De Kalb, IL
376 Quincy, IL

464 Owensboro, KY
466 Winchester, KY
484 Biloxi, MS
526 Fort Smith, AR
530 Pine Bluff, AR
638 Bismark, ND
640 Sioux Falls, SD
648 Great Falls, MT
650 Billings, MT
652 Boise, ID
654 Cheyenne, WY
664 New Mexico
670 Eugene, OR

724 Chico, CA
734 Bakersfield, CA
740 San Luis OB., CA
923 Lima-Mansfield, OH
927 Harrisonburg, VA
928 Charlottesville, VA
938 Terre Haute, IN
949 Fayetteville, NC
951 Rocky Mount, NC
960 Cosur D'Alene, ID
961 San Angelo, TX
976 Mattoon, IL
977 Macomb, IL
978 Otney, IL

GROUP 6

820 Puerto Rico
822 U.S. Virgin Islands
832 Alaska
834 Hawaii
921 Fishers Island, NY
929 Edinburg, VA
932 Bluefield, WV
963 Kalispell, MT
980 Navajo Terr., AZ
981 Navajo Terr., UT
ALL OTHERS

Attachment C-3

Interstate Direct Toll Free LATA Groups

GROUP 1

120 Maine
122 New Hampshire
124 Vermont
126 Springfield, MA
128 Boston, MA
130 Rhode Island
132 New York Metro
133 Poughkeepsie, NY
134 Albany, NY
136 Syracuse, NY
138 Binghamton, NY
140 Buffalo, NY
220 Atlantic City, NJ
222 Trenton, NJ
224 Newark, NJ
226 Capital, PA
228 Philadelphia, PA
230 Altoona, PA
232 Northeast PA
234 Pittsburgh, PA
236 Washington, DC
238 Baltimore, MD
240 Hagerstown, MD
242 Salisbury, MD
244 Roanoke, VA
246 Culpepper, VA
248 Richmond, VA
250 Lynchburg, VA
252 Norfolk, VA
254 Charleston, WV
256 Clarksburg, WV
320 Cleveland, OH
322 Youngstown, OH
324 Columbus, OH
325 Akron, OH
326 Toledo, OH
328 Dayton, OH
330 Evansville, IN
332 South Bend, IN

334 Auburn/Hunt, IN
336 Indianapolis, IN
338 Bloomington, IN
340 Detroit, MI
342 Marquette, MI
344 Saginaw, MI

346 Lansing, MI
348 Grand Rapids, MI
350 Green Bay, WI
352 Eau Claire, WI
354 Madison, WI
356 Milwaukee, WI
358 Chicago, IL
360 Rockford, IL
362 Cairo, IL
364 De Kalb, IL
366 Bloomington, IL
368 Peoria, IL
370 Champ.-Urban, IL
374 Springfield, IL
376 Quincy, IL
420 Asheville, NC
422 Charlotte, NC
424 Greensboro, NC
426 Raleigh, NC
428 Wilmington, NC
430 Greenville, SC
432 Florence, SC
434 Columbia, SC
436 Charleston, SC
438 Atlanta, GA
440 Savannah, GA
442 Augusta, GA
444 Albany, GA
446 Macon, GA
448 Pensacola, FL
450 Panama City, FL
452 Jacksonville, FL
454 Gainesville, FL
456 Daytona Beach, FL
458 Orlando, FL
460 Miami, FL
462 Louisville, KY
464 Owensboro, KY
466 Winchester, KY

468 Memphis, TN
470 Nashville, TN
472 Chattanooga, TN
474 Knoxville, TN
476 Birmingham, AL
477 Huntsville, AL
478 Montgomery, AL
480 Mobile, AL
482 Jackson, MS
484 Biloxi, MS
486 Shreveport, LA
488 Lafayette, LA
490 New Orleans, LA
492 Baton Rouge, LA
520 St. Louis, MO
521 Columbia, MO
522 Springfield, MO
524 Kansas City, MO
526 Fort Smith, AR
528 Little Rock, AR
530 Pine Bluff, AR
532 Wichita, KS
534 Topeka, KS
536 Oklahoma City, OK
538 Tulsa, OK
540 El Paso, TX
542 Midland, TX
544 Lubbock, TX
546 Amarillo, TX
548 Wichita Falls, TX
550 Abilene, TX
552 Dallas, TX
554 Longview, TX
556 Waco-Temple, TX
558 Austin, TX
560 Houston, TX
562 Beaumont, TX
564 Corpus Christi, TX
566 San Antonio, TX
568 Brownsville, TX
570 Bryan, TX
620 Rochester, MN
624 Duluth, MN
626 St. Cloud, MN

628 Minneapolis, MN

630 Sioux City, IA
632 Des Moines, IA
634 Davenport, IA
635 Cedar Rapids, IA
636 Fargo-Brainerd, ND
638 Bismark, ND
640 Sioux Falls, SD
644 Omaha, NE
646 Grand Island, NE
648 Great Falls, MT
650 Billings, MT
652 Boise, ID
654 Cheyenne, WY
656 Denver, CO
658 Colorado Spgs, CO
660 Utah
664 New Mexico
666 Phoenix, AZ
668 Tucson, AZ
670 Eugene, OR
672 Portland, OR
674 Seattle, WA
676 Spokane, WA
720 Reno, NV
721 Las Vegas, NV
722 San Francisco, CA
724 Chico, CA
726 Sacramento, CA
728 Fresno, CA
730 Los Angeles, CA
732 San Diego, CA
734 Bakersfield, CA
736 Monterey, CA
738 Stockton, CA
740 San Luis Ob., CA
920 Connecticut
922 Cincinnati, OH
923 Lima-Mansfield, OH
924 Erie, PA
927 Harrisonburg, VA
928 Charlottesville, VA
937 Richmond, IN
938 Terre Haute, IN
939 Ft. Myers, FL
949 Fayetteville, NC

951 Rocky Mount, NC
952 Tampa, FL
953 Tallahassee, FL
956 Bristol/JoCty, TN
958 Lincoln, NE
960 Coeur D'Alene, ID
961 San Angelo, TX
973 Palm Springs, CA
974 Rochester, NY
976 Mattoon, IL
977 Macomb, IL
978 Olney, IL

GROUP 2

820 Puerto Rico
822 U.S. Virgin Islands
832 Alaska
834 Hawaii
921 Fishers Island, NY
929 Edinburg, VA
932 Bluefield, WV
963 Kalispell, MT
980 Navajo Terr., AZ
981 Navajo Terr., UT
ALL OTHERS

Attachment C-4

Canada Terminating Service

BASE RATES

Canada NPA's	Peak	Direct OffPeak
----- ALL	\$0.1600	\$0.1600

TWO YEAR TERM
Discount 1

Discount 1 Monthly Volume of Service	Peak	Direct OffPeak
----- \$0 +	5.0%	5.0%

DISCOUNT 2

Monthly Volume of Carrier Transport Service	Peak	Direct OffPeak
----- \$0 +	44.0%	44.0%

CANADA ORIGINATING SERVICE

BASE RATES

Canada NPA's	Peak	Direct Toll Free OffPeak
----- ALL	\$0.3200	\$0.3200

TWO YEAR TERM

DISCOUNT 1

Monthly Volume of Carrier Transport Service	Peak	Direct Toll Free OffPeak
----- \$0 +	5.0%	5.0%

DISCOUNT 2

Monthly Volume of Carrier Transport Service	Peak	Direct Toll Free OffPeak
----- \$0 - \$99,999	0.0%	0.0%
\$100,000 - \$149,999	12.0%	12.0%
\$150,000 - \$249,999	15.0%	15.0%
\$250,000 - \$499,999	20.0%	20.0%
\$500,000 +	34.0%	34.0%

Attachment C-5

Mexico Terminating Service

BASE RATES - DOMESTIC ELEMENT

Mileage	Peak	Direct OffPeak
----- ALL	\$0.0000	\$0.0000

BASE RATES - INTERNATIONAL ELEMENT

Mexico Rate Step	Peak	Direct OffPeak
----- 1	\$0.1650	\$0.1180
2	\$0.1950	\$0.1530
3	\$0.0300	\$0.2300

4	\$0.4530	\$0.3950
5	\$0.4710	\$0.3530
6	\$0.5650	\$0.4000
7	\$0.7180	\$0.5650
8	\$0.7300	\$0.5770

MEXICO RATE STEPS ARE DEFINED IN SPRINT FCC TARIFF #2.

TWO YEAR TERM
DISCOUNT 1

Monthly Volume of Carrier Transport Service	Direct Peak	OffPeak
\$0	0.0%	0.0%

DISCOUNT 2

Monthly Volume of Carrier Transport Service	Direct Peak	OffPeak
\$0	15.0%	15.0%

Attachment C-6

Mexico Originating Service

BASE RATES

Mexico Zon #	Direct Toll Free Peak	OffPeak
1	\$0.5800	\$0.4400
2	\$0.4500	\$0.3400
3	\$1.2200	\$0.9100
4	\$1.7200	\$1.2600

US RATE AREA AND MEXICO RATE ZONE ARE DEFINED IN SPRINT

TWO YEAR TERM
DISCOUNT 1

Monthly Volume of Carrier Transport Service	Connect Toll Free Peak	OffPeak
\$0	5.0%	5.0%

DISCOUNT 2

Monthly Volume of Carrier Transport Service	Connect Toll Free Peak	OffPeak
\$0 - \$99,999	0.0%	0.0%
\$100,000 - \$149,999	5.0%	0.0%
\$150,000 - \$249,999	6.0%	0.0%
\$250,000 - \$449,999	7.0%	0.0%

Attachment C-7

Other International Base Rates

Grp	Country	Ctry Code	Std	Direct Disc	Econ
4	ALBANIA	355	0.7700	0.7700	0.7700
4	ALGERIA	213	0.7200	0.7200	0.7200
4	AM SAMOA	684	0.4850	0.4850	0.4850
4	ANDORRA	376	0.7300	0.7300	0.7300
4	ANGOLA	244	0.9200	0.9200	0.9200
4	ANGUILLA	809497	0.5850	0.5850	0.5850
4	ANTIGUA	809460	0.4700	0.4700	0.4700
3	ARGENTINA	540	0.6400	0.6400	0.6400
4	ARMENIA	374	1.3500	1.3500	1.3500
4	ARUBA	297	0.4000	0.4000	0.4000
4	ASCENSION ISLANDS	247	1.5400	1.5400	1.5400
1	AUSTRALIA	610	0.1620	0.1620	0.1620
4	AUSTRALIA TERRITORY	672	4.4000	4.4000	4.4000
1	AUSTRIA	430	0.2690	0.2690	0.2690
4	AZERBAIJAN	994	0.8340	0.8340	0.8340
4	B. VIRGIN ISLAND	809275	0.6090	0.6090	0.6090
4	BAHAMAS	809321	0.2200	0.2200	0.2200
4	BAHRAIN	973	0.7200	0.7200	0.7200
4	BANGLADESH	880	1.0850	1.0850	1.0850
4	BARBADOS	809228	0.5200	0.5200	0.5200
4	BELARUS	375	0.6200	0.6200	0.6200
2	BELGIUM	320	0.3400	0.3400	0.3400
4	BELIZE	501	0.7700	0.7700	0.7700
4	BENIN	229	0.6200	0.6200	0.6200
4	BERMUDA	809231	0.3300	0.3300	0.3300
4	BHUTAN	975	2.8200	2.8200	2.8200
4	BOLIVIA	591	0.8500	0.8500	0.8500
4	BOSNIA/HERZEGOVINA	387	0.7200	0.7200	0.7200
4	BOTSWANA	267	0.8750	0.8750	0.8750
4	BOURKINA FASSO	226	0.6900	0.6900	0.6900
3	BRAZIL	550	0.4250	0.4250	0.4250
4	BRUNEI	673	1.0800	1.0800	1.0800
4	BULGARIA	359	0.6100	0.6100	0.6100
4	BURMA (MYANMAR)	950	3.0000	3.0000	3.0000

Grp	Country	Ctry Code	Std	Direct Disc	Econ
4	BURUNDI	257	2.3000	2.3000	2.3000
4	CAMBODIA	855	1.2800	1.2800	1.2800
4	CAMEROON	237	1.4000	1.4000	1.4000
4	CAPE VERDE ISLAND	238	0.4000	0.4000	0.4000
4	CAYMAN ISLANDS	809945	0.4600	0.4600	0.4600
4	CENTRAL AFRICAN REP.	236	1.7500	1.7500	1.7500
4	CHAD REPUBLIC	235	2.9000	2.9000	2.9000
4	CHILE	560	0.4100	0.4100	0.4100
3	CHINA	860	0.9950	0.9950	0.9950
4	COLOMBIA	570	0.5550	0.5550	0.5550
4	CONGO REP	242	0.9750	0.9750	0.9750
4	COOK ISLANDS	682	1.3500	1.3500	1.3500
4	COSTA RICA	506	0.5750	0.5750	0.5750
4	CROATIA, REPUB OF	384	0.5500	0.5500	0.5500
4	CUBA	530	0.6600	0.6600	0.6600
4	CYPRUS	357	0.5300	0.5300	0.5300

Attachment C-8

Other International Base Rates

Grp	Country	Ctry Code	Std	Direct Disc	Econ
-----	---------	-----------	-----	----------------	------

4	CZECH REPUBLIC	420	0.4000	0.4000	0.4000
2	DENMARK	450	0.2450	0.2450	0.2450
4	DIEGO GARCIA	246	2.8000	2.8000	2.8000
4	DJIBOUTI	253	1.1000	1.1000	1.1000
4	DOMINICA	809445	0.6200	0.6200	0.6200
4	DOMINICAN REPUBLIC	809220	0.4750	0.4750	0.4750
4	ECUADOR	593	0.6700	0.6700	0.6700
4	EGYPT	200	0.7100	0.7100	0.7100
4	EL SALVADOR	503	0.5600	0.5600	0.5600
4	EQUATORIAL GUINEA	240	1.7100	1.7100	1.7100
4	ERITREA	291	1.9000	1.9000	1.9000
4	ESTONIA	372	0.8800	0.8800	0.8800
4	ETHIOPIA	251	1.0300	1.0300	1.0300
4	FAEROE ISLANDS	298	0.4600	0.4600	0.4600
4	FALKLAND ISLANDS	500	1.1350	1.1350	1.1350
4	FIJI	679	0.9600	0.9600	0.9600
1	FINLAND	358	0.2000	0.2000	0.2000
1	FRANCE	330	0.1900	0.1900	0.1900
4	FRENCH ANTILLES	596	0.6050	0.6050	0.6050
4	FRENCH GUIANA	594	0.6037	0.6037	0.6037
4	FRENCH POLYNESIA	689	1.0700	1.0700	1.0700
4	GABON	241	0.9500	0.9500	0.9500
4	GAMBIA	220	0.9550	0.9550	0.9550
4	GEORGIA	788	1.0500	1.0500	1.0500
2	GERMANY	490	0.1850	0.1850	0.1850
4	GHANA	233	0.6400	0.6400	0.6400
4	GIBRALTAR	350	0.9900	0.9900	0.9900
4	GRANDTURK TC	809941	0.8600	0.8600	0.8600
4	GREECE	300	0.5250	0.5250	0.5250
4	GREENLAND	299	0.5100	0.5100	0.5100
4	GRENADA	809440	0.6230	0.6230	0.6230
4	GUADELOUPE	590	0.6050	0.6050	0.6050
4	GUAM	671	0.3000	0.3000	0.3000
4	GUANTANAMO BAY	539	1.2000	1.2000	1.2000

Grp	Country	Ctry Code	Std	Direct Disc	Econ
4	GUATEMALA	502	0.5000	0.5000	0.5000
4	GUINEA PEOP REP	224	0.8500	0.8500	0.8500
4	GUINEA-BISSAU	245	1.6950	1.6950	1.6950
4	GUYANA	592	0.8010	0.8010	0.8010
4	HAITI	509	0.6900	0.6900	0.6900
4	HONDURAS	504	0.5850	0.5850	0.5850
1	HONG KONG	852	0.3650	0.3650	0.3650
4	HUNGARY	360	0.4500	0.4500	0.4500
4	ICELAND	354	0.3700	0.3700	0.3700
2	INDIA	910	0.8400	0.8400	0.8400
4	INDONESIA	620	0.6800	0.6800	0.6800
4	IRAN	980	1.0700	1.0700	1.0700
4	IRAQ	964	1.1000	1.1000	1.1000
4	IRELAND	353	0.2750	0.2750	0.2750
3	ISRAEL	972	0.6800	0.6800	0.6800
2	ITALY	390	0.2500	0.2500	0.2500

Attachment C-9

Other International Base Rates

Grp	Country	Ctry Code	Std	Direct Disc	Econ
4	IVORY COAST	225	1.2200	1.2200	1.2200
4	JAMAICA	80928	0.5850	0.5850	0.5850
1	JAPAN	810	0.2600	0.2600	0.2600
4	JORDAN	962	0.8000	0.8000	0.8000
4	KAZAKHSTAN	732	0.8100	0.8100	0.8100
4	KENYA	254	0.8100	0.8100	0.8100
4	KIRGISTAN	733	2.0000	2.0000	2.0000
4	KIRIBATI	686	1.0000	1.0000	1.0000
2	KOREA (SOUTH)	820	0.4400	0.4400	0.4400
4	KUWAIT	965	0.7200	0.7200	0.7200
4	LAOS	856	1.8750	1.8750	1.8750
4	LATVIA	371	0.8250	0.8250	0.8250
4	LEBANON	961	1.1300	1.1300	1.1300

4	LESOTHO	266	0.8850	0.8850	0.8850
4	LIBERIA	231	0.6000	0.6000	0.6000
4	LIBYA APSJ	218	1.5100	1.5100	1.1500
4	LITHUANIA	370	0.9550	0.9550	0.9550
4	LUXEMBOURG	286	0.2550	0.2550	0.2550
4	MACAO	853	0.7200	0.7200	0.7200
4	MACEDONIA	389	0.9000	0.9000	0.9000
4	MADAGASCAR	261	3.5000	3.5000	3.5000
4	MALAWI	265	0.6250	0.6250	0.6250
4	MALAYSIA	600	0.4200	0.4200	0.4200
4	MALDIVES REP	960	1.1700	1.1700	1.1700
4	MALI REP	223	0.9500	0.9500	0.9500
4	MALTA REP	356	0.8400	0.8400	0.8400
4	MARSHALL ISLANDS	692	0.8800	0.8800	0.8800
4	MAURITANIA	222	1.4000	1.4000	1.4000
4	MAURITIUS	230	2.2500	2.2500	2.2500
4	MAYOTTE ISLAND	269	1.1200	1.1200	1.1200
4	MICRONESIA	691	0.8750	0.8750	0.8750
4	MOLDOVA	373	1.2300	1.2300	1.2300
4	MONGOLIA PEOP REP	976	1.6700	1.6700	1.6700
4	MONTSERRAT	809491	0.6400	0.6400	0.6400

Grp	Country	Ctry Code	Std	Direct Disc	Econ
4	MOROCCO	210	1.0600	1.0600	1.0600
4	MOZAMBIQUE	258	0.8800	0.8800	0.8800
4	NAMIBIA	264	1.4200	1.4200	1.4200
4	NAURU	674	1.0000	1.0000	1.0000
4	NEPAL	977	1.0700	1.0700	1.0700
2	NETHERLANDS	310	0.1900	0.1900	0.1900
4	NETHERLANDS ANTIL	599	0.3650	0.3650	0.3650
4	NEVIS ISLAND	809469	0.6500	0.6500	0.6500
4	NEW CALEDONIA	687	2.1700	2.1700	2.1700
4	NEW ZEALAND	640	0.2500	0.2500	0.2500
4	NICARAGUA	505	0.6700	0.6700	0.6700
4	NIGER REPUBLIC	227	1.0600	1.0600	1.0600
4	NIGERIA	283	0.5620	0.5620	0.5620
4	NIUE	683	1.6300	1.6300	1.6300
4	NORTH KOREA	850	2.6600	2.6600	2.6600

Attachment C-10
Other International Base Rates

Grp	Country	Ctry Code	Std	Direct Disc	Econ
4	NORWAY	470	0.2100	0.2100	0.2100
4	OCEAN ATLANTIC E	871	7.5000	7.5000	7.5000
4	OCEAN ATLANTIC W	874	7.5000	7.5000	7.5000
4	OCEAN INDIAN	873	7.5000	7.5000	7.5000
4	OCEAN PACIFIC	872	7.5000	7.5000	7.5000
4	OMAN	968	0.8000	0.8000	0.8000
4	PAKISTAN	920	1.0800	1.0800	1.0800
4	PALAU REPUBLIC	680	1.0800	1.0800	1.0800
4	PANAMA	507	0.6100	0.6100	0.6100
4	PAPUA N. GUINEA	675	0.8000	0.8000	0.8000
4	PARAGUAY	287	0.8400	0.8400	0.8400
4	PERU	510	0.6600	0.6600	0.6600
3	PHILIPPINES	630	0.5700	0.5700	0.5700
3	POLAND	480	0.4200	0.4200	0.4200
4	PORTUGAL	351	0.4050	0.4050	0.4050
4	QATAR	974	0.7600	0.7600	0.7600
4	REUNION ISLAND	262	1.0700	1.0700	1.0700
4	ROMANIA	400	0.7500	0.7500	0.7500
4	RUSSIA	700	0.8950	0.8950	0.8950
4	RWANDA	250	2.6700	2.6700	2.6700
4	SAIPAN	670	0.4600	0.4600	0.4600
4	SAN MARINO	378	0.6200	0.6200	0.6200
4	SAO TOME	239	1.2000	1.2000	1.2000
4	SAUDI ARABIA	966	0.8600	0.8600	0.8600
4	SENEGAL	221	1.0500	1.0500	1.0500
4	SERBIA/MONTENEGRO	381	0.7850	0.7850	0.7850
4	SEYCHELLES	248	1.4500	1.4500	1.4500
4	SIERRA LEONE	232	1.6000	1.6000	1.6000
1	SINGAPORE	650	0.2700	0.2700	0.2700
4	SLOVAKIA	427	0.5500	0.5500	0.5500
4	SLOVENIA	386	0.7800	0.7800	0.7800
4	SOLOMON ISLANDS	677	0.8750	0.8750	0.8750

4	SOMALIA	252	2.0500	2.0500	2.0500
4	SOUTH AFRICA	270	0.5050	0.5050	0.5050
3	SPAIN	340	0.4450	0.4450	0.4450

Grp	Country	Ctry Code	Std	Direct	
				Disc	Econ
4	SRI LANKA	940	0.8800	0.8800	0.8800
4	ST. HELENA	290	3.4050	3.4050	3.4050
4	ST. KITTS	809465	0.6400	0.6400	0.6400
4	ST. LUCIA	809450	0.4650	0.4650	0.4650
4	ST. PIERRE	508	0.8950	0.8950	0.8950
4	ST. VINCENT	809456	0.6350	0.6350	0.6350
4	SUDAN	249	1.6500	1.6500	1.6500
4	SURINAME	597	1.2100	1.2100	1.2100
4	SWAZILAND	268	0.9300	0.9300	0.9300
1	SWEDEN	460	0.1450	0.1450	0.1450
2	SWITZERLAND	410	0.1850	0.1850	0.1850
4	SYRIAN ARABREP	963	1.0800	1.0800	1.0800
1	TAIWAN	886	0.4100	0.4100	0.4100
4	TAJIKISTAN		1.7500	1.7500	1.7500
4	TANZANIA	255	0.8550	0.8550	0.8550

Attachment C-11

Other International Base Rates

Grp	Country	Ctry Code	Std	Direct	
				Disc	Econ
4	THAILAND	660	0.6300	0.6300	0.6300
4	TOGO	228	0.9700	0.9700	0.9700
4	TONGA	676	1.1700	1.1700	1.1700
4	TRINIDAD	809622	0.5500	0.5500	0.5500
4	TUNISIA	216	0.6150	0.6150	0.6150
4	TURKEY	900	0.5100	0.5100	0.5100
4	TURKMENISTAN		1.2000	1.2000	1.2000
4	TUVALU	688	1.6550	1.6550	1.6550
4	UGANDA	256	0.6800	0.6800	0.6800
4	UKRAINE	285	0.6000	0.6000	0.6000
4	UNITED A.E.	971	0.6050	0.6050	0.6050
1	UNITED KINGDOM	440	0.1300	0.1300	0.1300
4	URUGUAY	598	0.7350	0.7350	0.7350
4	UZBEKISTAN		1.1600	1.1600	1.1600
4	VANUATU	678	1.9000	1.9000	1.9000
2	VENEZUELA	580	0.3090	0.3090	0.3090
4	VIETNAM	840	0.9250	0.9250	0.9250
4	WALLIS ISL	681	4.7200	4.7200	4.7200
4	WESTERN SAMOA	685	0.7600	0.7600	0.7600
4	YEMEN	969	0.8250	0.8250	0.8250
4	ZAIRE	243	0.7000	0.7000	0.7000
4	ZAMBIA	260	0.6900	0.6900	0.6900
4	ZIMBABWE	263	1.1100	1.1100	1.1100

Note: Other International Base Rates above are not eligible for any tariff or contract discounts.

Attachment C-12

Other International Toll Free Service (ITFS-US Inbound)

BASE RATES

COUNTRY	CTRY CODE	DIRECT TOLL FREE
ANTIGUA	809460	\$1.5000
AUSTRALIA	610	\$1.3400
BAHAMAS	809321	\$1.0600
BAHRAIN	973	\$2.0000
BARBADOS	809228	\$1.4000
BELGIUM	320	\$1.4000
BERMUDA	809231	\$1.1100
BOLIVIA	591	\$2.2400
BRAZIL	550	\$1.4600
CAYMAN ISLANDS	809945	\$1.4600
CHILE	560	\$1.6700

CHINA	860	\$3.1200
COLOMBIA	570	\$1.5700
COSTA RICA	506	\$1.4500
CYPRUS	357	\$1.6600
DENMARK	450	\$1.5100
DOMINICAN REPUBLIC	809220	\$1.1600
ECUADOR	593	\$2.1600
EL SALVADOR	503	\$1.8800
FINLAND	358	\$1.5100
FRANCE	330	\$1.5100
GERMANY	490	\$1.4100
GUAM	671	\$1.5700
GUATEMALA	502	\$1.3100
HONG KONG	852	\$1.8500
INDONESIA	620	\$1.9600
IRELAND	353	\$1.4100
ISRAEL	972	\$1.7300
ITALY	390	\$1.5100
JAMAICA	809287	\$1.4700
JAPAN	810	\$1.6600
KOREA (SOUTH)	820	\$1.7800

COUNTRY	CTRY CODE	DIRECT TOLL FREE
LUXEMBOURG	286	\$1.4500
MALAYSIA	600	\$1.7800
NETHERLAND ANTIL	599	\$1.7800
NETHERLANDS	310	\$1.4100
NEW ZEALAND	640	\$2.0000
NICARAGUA	505	\$1.8800
NORWAY	470	\$1.5000
PANAMA	507	\$1.3600
PHILIPPINES	630	\$1.6800
PORTUGAL	351	\$1.8500
SAIPAN	670	\$1.7800
SAN MARINO	378	\$1.5100
SINGAPORE	650	\$1.7300
SOUTH AFRICA	270	\$2.1900
SPAIN	340	\$1.6300
SWEDEN	460	\$1.3900
SWITZERLAND	410	\$1.5100
TAIWAN	886	\$1.5800
THAILAND	660	\$1.8500
TRINIDAD	809622	\$1.4100
TURKEY	900	\$2.0200
UNITED KINGDOM	440	\$1.1700
VENEZUELA	580	\$1.8600

DISCOUNT 1

Monthly Volume of ITFS Service			Direct Toll Free
\$0	-	\$999	5.0%
\$1,000	-	\$2,999	10.0%
\$3,000	-	\$4,999	15.0%
\$5,000	+	\$4,999	20.0%

Attachment C-13

Interstate Adjustment (Intrastate)

BASE RATES

State	Day	Direct			Direct Toll Free		
		Eve	N/W	Day	Eve	N/W	
AK	0.1667	0.1667	0.1667	0.1667	0.1667	0.1667	
AL	0.0747	0.0635	0.0635	0.0980	0.0779	0.0779	
AR	0.0790	0.0635	0.0635	0.1337	0.1065	0.1065	
AZ	0.1019	0.1019	0.1019	0.1180	0.0944	0.0918	
CAa	0.0433	0.0433	0.0433	0.0580	0.0580	0.0580	
CAb	0.0453	0.0453	0.0453	0.0600	0.0600	0.0600	
CO	0.1134	0.1134	0.1134	0.1073	0.0973	0.0973	
CT	0.0895	0.0719	0.0719	0.1087	0.0865	0.0865	
DE	0.0825	0.0663	0.0663	0.1108	0.0887	0.0887	
FL	0.0976	0.0976	0.0976	0.0987	0.0974	0.0974	
GA	0.0747	0.0746	0.0746	0.0887	0.0708	0.0708	
HI	0.1667	0.1667	0.1667	0.1667	0.1667	0.1667	
IA	0.0966	0.0966	0.0966	0.1051	0.0915	0.0915	

ID	0.1125	0.1125	0.1125	0.1078	0.1078	0.1078
IL	0.0790	0.0635	0.0635	0.1037	0.0829	0.0829
IN	0.0747	0.0712	0.0712	0.0965	0.0772	0.0772
KS	0.1125	0.1125	0.1125	0.1168	0.1168	0.1168
KY	0.0853	0.0684	0.0684	0.1366	0.1094	0.1094
LA	0.0772	0.0772	0.0772	0.0980	0.0779	0.0779
MA	0.0743	0.0743	0.0743	0.0808	0.0644	0.0644
MD	0.0832	0.0663	0.0663	0.0915	0.0729	0.0729
ME	0.1659	0.1659	0.1659	0.2145	0.2036	0.2036
MI	0.0761	0.0751	0.0751	0.1044	0.0829	0.0829
MN	0.1173	0.1173	0.1173	0.1144	0.0969	0.0969
MO	0.1167	0.1167	0.1167	0.1003	0.1003	0.1003
MS	0.1093	0.0874	0.0874	0.1180	0.0944	0.0944
MT	0.0891	0.0891	0.0891	0.1130	0.0941	0.0941
NC	0.1144	0.1144	0.1144	0.0944	0.0912	0.0912
ND	0.0993	0.0993	0.0993	0.1073	0.1053	0.1053
NE	0.1032	0.1032	0.1032	0.1108	0.1012	0.1012
NH	0.1050	1.1007	1.1007	0.1423	0.1423	0.1423
NJ	0.0839	0.0829	0.0829	0.0867	0.0867	0.0867
NM	0.1234	0.1095	0.1095	0.1258	0.1186	0.1186

State	Day	Direct			Direct Toll Free		
		Eve	N/W	Day	Eve	N/W	
NV	0.0776	0.0620	0.0620	0.1144	0.0915	0.0872	
NY	0.0888	0.0842	0.0842	0.1087	0.0883	0.0883	
OH	0.0846	0.0760	0.0760	0.1130	0.0901	0.0901	
OK	0.0867	0.0762	0.0762	0.1316	0.1051	0.1051	
OR	0.0904	0.0904	0.0904	0.0987	0.0787	0.0787	
PA	0.0891	0.0891	0.0891	0.1030	0.0928	0.0928	
RI	0.0776	0.0620	0.0620	0.1037	0.1001	0.1001	
SC	0.1089	0.1089	0.1089	0.1087	0.0927	0.0927	
SD	0.0825	0.0696	0.0696	0.1144	0.0915	0.0915	
TN	0.1050	0.1022	0.1022	0.1180	0.0944	0.0944	
TX	0.1138	0.1138	0.1138	0.0865	0.0865	0.0865	
UT	0.0956	0.0956	0.0956	0.1051	0.0837	0.0837	
VA	0.0874	0.0740	0.0740	0.0922	0.0736	0.0736	
VT	0.1364	0.1364	0.1364	0.1144	0.1007	0.1007	
WA	0.1022	0.1022	0.1022	0.0894	0.0867	0.0867	
WI	0.0832	0.0704	0.0704	0.1001	0.0801	0.0801	
WV	0.0776	0.0753	0.0753	0.1022	0.0815	0.0815	
WY	0.1448	0.1448	0.1448	0.1491	0.1491	0.1491	

- Interstate Adjustment Base Rate for California Intrastate/Intralata traffic.
- Interstate Adjustment Base Rate for California Intrastate/Interlata traffic.
- Discount 1 calculated based on Intrastate usage rated at Interstate Adjustment base rates (for all 50 states) at the billing hierarchy Product level (level 4).

DISCOUNT 1

Discount 1 Monthly			Direct			Direct Toll Free		
Volume of Service			Day	Eve	N/W	Day	Eve	N/W
\$0	-	\$1,499	0%	0%	0%	0%	0%	0%
\$1,500	-	\$4,999	3%	3%	3%	3%	3%	3%
\$5,000	-	\$19,999	5%	5%	5%	5%	5%	5%
\$20,000	+		8%	8%	8%	8%	8%	8%