

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934  
(Amendment No. )\*

General Communication, Inc.  
(Name of Issuer)

Class A Common Stock  
(Title of Class of Securities)

369385 10 9  
(CUSIP Number)

Thomas R. Stephens, Esq.  
Bartlit Beck Herman Palenchar & Scott  
511 Sixteenth Street Suite 700  
Denver, Colorado 80202  
(303) 592-3100  
(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

October 31, 1996  
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box [ ].

Check the following box if a fee is being paid with the statement [ ].  
(A fee is not required only if the reporting person: (1) has a previous statement on file reporting beneficial ownership of more than five percent of the class of securities described in Item 1; and (2) has filed no amendment subsequent thereto reporting beneficial ownership of five percent or less of such class.) (See Rule 13d-7.)

Note: Six copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) for other parties to whom copies are to be sent.

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

(Continued on following page(s))

Page 1 of 17 Pages

- 1 NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON  
Centennial Fund III, L.P.
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*  
(a) X  
(b)
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS\*  
OO
- 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO  
ITEMS 2(D) OR 2(E)
- 6 CITIZENSHIP OR PLACE OF ORGANIZATION

Colorado

NUMBER OF 7 SOLE VOTING POWER  
0 SHARES  
BENEFICIALLY 8 SHARED VOTING POWER  
742,357  
OWNED BY EACH 9 SOLE DISPOSITIVE POWER  
0 REPORTING  
PERSON 10 SHARED DISPOSITIVE POWER  
742,357 WITH  
11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
742,357  
12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES\*  
X  
13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
1.9%  
14 TYPE OF REPORTING PERSON\*  
PN

\* SEE INSTRUCTIONS BEFORE FILLING OUT!

1 NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON  
Centennial Holdings III, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*  
(a) X  
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS\*  
Not applicable

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO  
ITEMS 2(D) OR 2(E)

6 CITIZENSHIP OR PLACE OF ORGANIZATION  
Colorado

NUMBER OF 7 SOLE VOTING POWER  
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742,357  
12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES\*  
X  
13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

1.9%

14 TYPE OF REPORTING PERSON\*  
PN

\* SEE INSTRUCTIONS BEFORE FILLING OUT!

Item 1. Security and Issuer.

This Statement relates to the Class A Common Stock (the "Shares") of General Communication, Inc., an Alaska corporation (the "Company"). The principal executive offices of the Company are located at 2550 Denalit Street, Suite 1000, Anchorage, Alaska 99503-2781.

Item 2. Identity and Background

(a) This Statement is filed by Centennial Fund III, L.P., a Colorado limited partnership ( Fund III ), by virtue of its direct beneficial ownership of Shares, and by Centennial Holdings III, L.P., a Colorado limited partnership ( Holdings III ), by virtue of being the sole general partner of Fund III (collectively, the "Reporting Persons"). By signing this Statement, each Reporting Person agrees that this Statement is filed on its behalf. Steven C. Halstedt, G. Jackson Tankersley, Jr. and Jeffrey H. Schutz are the sole general partners of Holdings III (the Individual Partners ). By virtue of the relationships described above and their roles with Fund III and Holdings III, each of the Individual Partners may be deemed to control Holdings III and Fund III and may be deemed to possess indirect beneficial ownership of the Shares held by Fund III. However, none of the Individual Partners, acting alone, has voting or investment power with respect to the Shares directly beneficially held by Fund III, and, as a result, each Individual Partner disclaims beneficial ownership of the Shares directly beneficially owned by Fund III.

Each of the Individual Partners is also (i) one of the three general partners of Centennial Holdings II, L.P., a Delaware limited partnership ( Holdings II ), which is, in turn, the sole general partner of Centennial Fund II, L.P., a Delaware limited partnership ( Fund II ), which also received Shares in the Transaction (as defined in Item 3 of this Statement), and (ii) one of the three general partners of Centennial Business Development Company, a Delaware limited partnership ( CBD ), which is, in turn, the sole general partner of Centennial Business Development Fund, Ltd., a Delaware limited partnership ( CBDF ), which also received Shares in the Transaction. By virtue of the relationships described above and their roles with Fund II, Holdings II, CBD and CBDF, each of the Individual Partners may be deemed to control Fund II, Holdings III, CBD and CBDF and may be deemed to possess indirect beneficial ownership of the Shares held by Fund II and CBDF. However, none of the Individual Partners, acting alone, has voting or investment power with respect to the Shares directly beneficially held by Fund II or CBDF, and, as a result, each Individual Partner disclaims beneficial ownership of the Shares directly beneficially owned by Fund II and CBDF.

(b) The principal executive offices of Fund III and Holdings III, and the business address of each Individual Partner, are located at 1428 Fifteenth Street, Denver, Colorado 80202-1318.

(c) Fund III is an venture capital investment partnership. Holdings III s principal business is acting as the general partner of Fund III. Each of the Individual Partners is a general partner of each of Holdings III, Centennial Holdings IV, L.P., and Centennial Holdings V, L.P., which are engaged in the business of acting as a general partner to venture capital investment partnerships.

(d) Neither any of the Reporting Persons nor any of the Individual Partners has been convicted in a criminal proceeding in the past five years (excluding traffic violations or similar misdemeanors).

(e) During the past five years, neither any of the Reporting Persons nor any Individual Partner was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which such person was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws of finding any violation with respect to such laws.

(f) Fund III and Holdings III are Colorado limited partnerships. Each of the Individual Partners is a citizen of the United States.

Item 3. Source and Amount of Funds or Other Consideration

In connection with the Company s acquisition of all equity securities and profit participation rights in Prime Cable of Alaska, L.P., a Delaware limited partnership ( Prime ) on October 31, 1996 (the Transaction ), Fund III received 742,357 Shares in consideration of its interests in Prime and

Alaska Cable Inc., a Delaware corporation and a limited partner of Prime ( ACI ). The Transaction was effected, in part, pursuant to the Prime Purchase Agreement, as amended (the Prime Purchase Agreement ) among the Company and the holders of Prime s equity securities and profit participation rights (the Prime Sellers ), and the merger agreement (the ACI Merger Agreement ) between a wholly owned subsidiary of the Company and ACI. The foregoing description of the Prime Purchase Agreement and the ACI Merger Agreement is qualified in its entirety by reference to the attached Exhibit 1 and Exhibit 2, respectively, which are incorporated herein by this reference.

Item 4. Purpose of Transaction

Fund III acquired the Shares described in Item 5 of this Statement for investment only. Depending upon its evaluation of the Company's investments and prospects, and upon future developments (including, but not limited to, performance of the Shares in the market, the effective yield on the Shares, availability of funds, alternative uses of funds, and money, stock market and general economic conditions), Fund III may from time to time purchase Shares, dispose of all or a portion of the Shares it holds (subject to certain restrictions described under Item 6 of this Statement), or cease buying or selling Shares. Any such additional purchases or sales of the Shares may be in open market or privately-negotiated transactions or otherwise.

In connection with Transaction, Fund III and certain other shareholders of the Company entered into a voting agreement with respect to the Shares and Company s Class B Common Stock owned by such shareholders (the Voting Agreement ). Fund II and CBDF are not parties to the Voting Agreement. The other parties to the Voting Agreement are MCI Telecommunications Corporation ( MCI ), TCI GCI, Inc., Robert A. Duncan, Robert M. Walp, Austin Ventures, L.P., Prime Cable Growth Partners, L.P., Prime Venture I Holdings, L.P., Prime Cable Limited Partnership, BancBoston Capital, Inc., First Chicago Investment Corporation, Madison Dearborn Partners V, Prime Ventures II, L.P., William Blair Venture Partners III Limited Partnership, and Prime II Management, L.P. The Reporting Persons understand the parties to the Voting Agreement beneficially own an aggregate of 23,839,491 Shares, or approximately 61.5% of the 38,772,050 Shares deemed outstanding (including, for this purpose, 19,648,382 Shares outstanding as of August 19, 1996, plus 16,723,077 Shares issued in connection with the Transaction and related matters, plus 2,400,591 Shares obtainable upon conversion of the Company s Class B Common Stock held by parties to the Voting Agreement, according to information contained in the Company's proxy statement and prospectus dated October 4, 1996 (the Proxy Statement )). In addition, the Reporting Persons understand the parties to the Voting Agreement beneficially own an aggregate of 2,400,591 shares of the Company s Class B Common Stock, or approximately 58.7% of the 4,085,461 outstanding shares of Class B Common Stock, according to the Proxy Statement. The Voting Agreement replaces a previous voting agreement among certain of the Company s shareholders.

Pursuant to the Voting Agreement, the parties thereto agreed to vote their Shares and Class B Common Stock to cause the Board of Directors of the Company (the Board ) to consist of not less than eight members. Fund III and the other Prime Sellers that are parties to the Voting Agreement (the Prime Parties ) have the right, subject to certain conditions, to nominate two members of the Board, MCI has the right to nominate two members of the Board, TCI GCI, Inc. has the right to nominate two members of the Board, and Robert A. Duncan and Robert M. Walp each have the right to nominate one member of the Board. The Voting Agreement requires the parties thereto, including Fund III, to vote their Shares and Class B Common Stock for such nominees. The Voting Agreement commenced on October 31, 1996 and will terminate following the Company s annual meeting of shareholders in June 2001 or when only one person remains a party to the Voting Agreement. Any party to the Voting Agreement, other than the Prime Parties, will cease to be a party to the Voting Agreement when such party disposes of more than 25% of the Shares and Class B Common Stock held by such party as of October 31, 1996, and, in such case, each other party (including the Prime Parties) may withdraw from the Voting Agreement (other than with respect to the rights of the Prime Parties to nominate members of the Board). The right of the Prime Parties to nominate two members of the Board is contingent upon the Prime Parties owning at least 10% of the outstanding Shares and upon the management agreement between Prime and the Company remaining in effect. The Prime Parties will have the right to nominate only one member of the Board if either such contingency is not satisfied, and will have no rights to nominate members of the Board if neither such contingency is satisfied. The foregoing description of the Voting Agreement is qualified in its entirety by reference to the attached Exhibit 3, which is incorporated herein by this reference.

Except as described in this Item 4, none of the Reporting Persons nor the Individual Partners has formulated any plans or proposals which relate to or would result in any matter required to be disclosed in response to paragraphs (a) through (j) of Item 4 of Schedule 13D.

Item 5. Interest in Securities of the Issuer.

(a) Fund III is the direct beneficial owner of 742,357 Shares, or approximately 1.9% of the 38,772,050 Shares deemed outstanding (including, for

this purpose, 19,648,382 Shares outstanding as of August 19, 1996, plus 16,723,077 Shares issued in connection with the Transaction and related matters, and 2,400,591 Shares obtainable upon conversion of the Company's Class B Common Stock held by parties to the Voting Agreement, according to information contained in the Proxy Statement). By virtue of the relationships reported under Item 2 of this Statement, Holdings III may be deemed to share indirect beneficial ownership of the Shares directly beneficially owned by Fund III.

In connection with the Transaction, Fund II acquired a total of 247,452 Shares, or approximately 0.7% of the 36,371,459 Shares outstanding (including, for this purpose, 19,648,382 Shares outstanding as of August 19, 1996, plus 16,723,077 Shares issued in connection with the Transaction and related matters, according to information contained in the Proxy Statement), and CBDF acquired a total of 494,905 Shares, or approximately 1.4% of the 36,371,459 Shares outstanding (including, for this purpose, 19,648,382 Shares outstanding as of August 19, 1996, plus 16,723,077 Shares issued in connection with the Transaction and related matters, according to information contained in the Proxy Statement).

The information included in the second and third paragraphs under Item 4 of this Statement is hereby incorporated in its entirety by this reference. Fund III and Holdings III each disclaim beneficial ownership of Shares and Class B Common Stock held by parties to the Voting Agreement (other than Fund III), and each Individual Partner disclaims beneficial ownership of Shares and Class B Common Stock held by all parties to the Voting Agreement.

(b) Fund III has the direct power to direct the disposition of the Shares held by it and, subject to the Voting Agreement, Fund III has the direct power to vote the Shares held by it. By virtue of the relationships described in Item 2, Holdings III may be deemed to share the indirect power to vote and direct the disposition of the Shares held by Fund III.

(c) The information included under Item 3 of this Statement is hereby incorporated in its entirety by this reference.

(d) Fund III has the right to receive and the power to direct the receipt of dividends from, and proceeds from the sale of, the Shares held by it.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

The information included under Item 3 of this Statement is hereby incorporated in its entirety by this reference.

The information included in the second and third paragraphs under Item 4 of this Statement is hereby incorporated in its entirety by this reference.

In connection with the Transaction, Fund III, the other Prime Sellers and the Company entered into a Registration Rights Agreement dated as of October 31, 1996 pursuant to which Fund III may require the Company, subject to certain limitations, to register Fund III's Shares for resale pursuant to the Securities Act of 1933, as amended. In addition, Fund III has agreed to certain holdback restrictions on Fund III's ability to sell Shares during the 149 day period following the closing of the Transaction. The foregoing description of the Registration Rights Agreement is qualified in its entirety by reference to the attached Exhibit 4, which is incorporated herein by this reference.

In connection with the Transaction, Fund III and the other Prime Sellers entered into an escrow agreement with the Company and the National Bank of Alaska as escrow agent dated as of October 31, 1996 (the Escrow Agreement). Pursuant to the Escrow Agreement, the Prime Sellers placed approximately 9.27% of the Shares received by the Prime Sellers in the Transaction into an escrow account for 180 days the benefit of the Company in the event of certain breaches of the Prime Purchase Agreement by Prime. The foregoing description of the Escrow Agreement is qualified in its entirety by reference to the attached Exhibit 5, which is incorporated herein by this reference.

In addition, Fund III and certain of the Prime Sellers entered into a second escrow agreement with Texas Commerce Bank National Association as escrow agent dated as of May 2, 1996 (the ACI Escrow Agreement) pursuant to which Fund III and the other parties to the ACI Escrow Agreement agreed, in connection with certain federal income tax continuity of interest requirements, not to dispose of certain Shares for a period terminating on November 5, 1997. The ACI Escrow Agreement applies to all of the Shares held by Fund III. The foregoing description of the ACI Escrow Agreement is qualified in its entirety by reference to the attached Exhibit 6, which is incorporated herein by this reference.

Other than set forth above, neither any of the Reporting Persons nor any Individual Partner has any contract, arrangement, understanding or relationship (legal or otherwise) with any person with respect to securities of

the Company, including, but not limited to, transfer or voting of any such securities, finder's fees, joint ventures, loans or option arrangements, puts or calls, guarantees of profits, division of profits or losses, or the giving or withholding of proxies.

Item 7. Material to be Filed as Exhibits.

Exhibit 1. Prime Securities Purchase Agreement dated as of May 2, 1996 among General Communication, Inc. and the holders of equity securities and profit participation rights of Prime Cable of Alaska, L.P., incorporated by reference to Exhibit 2.1 to the Registration Statement on Form S-4 (No. 333-13473) filed by General Communication, Inc. with the Securities and Exchange Commission on October 4, 1996.

Exhibit 2. Form of Plan of Merger between GCI Cable, Inc. and Alaska Cable, Inc. to be dated on or about October 31, 1996, incorporated by reference to Exhibit 2.2.1 to the Registration Statement on Form S-4 (No. 333-13473) filed by General Communication, Inc. with the Securities and Exchange Commission on October 4, 1996.

Exhibit 3. Form of Voting Agreement to be dated as of October 31, 1996 among certain shareholders of General Communication, Inc., incorporated by reference to Exhibit 9.1 to the Registration Statement on Form S-4 (No. 333-13473) filed by General Communication, Inc. with the Securities and Exchange Commission on October 4, 1996.

Exhibit 4. Form of Registration Rights Agreement to be dated as of October 31, 1996 among General Communication, Inc. and certain shareholders of General Communication, Inc., incorporated by reference to Exhibit 10.2 to the Registration Statement on Form S-4 (No. 333-13473) filed by General Communication, Inc. with the Securities and Exchange Commission on October 4, 1996.

Exhibit 5. Form of Escrow Agreement to be dated as of October 31, 1996 among General Communication, Inc., the National Bank of Alaska as escrow agent, and certain shareholders of General Communication, Inc., incorporated by reference to Exhibit 2.1 to the Registration Statement on Form S-4 (No. 333-13473) filed by General Communication, Inc. with the Securities and Exchange Commission on October 4, 1996.

Exhibit 6. ACI Escrow Agreement dated as of May 2, 1996 among Texas Commerce Bank National Association as escrow agent and certain shareholders of General Communication, Inc.

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Statement is true, complete and correct.

Date: November 12, 1996

/s/ G. Jackson Tankersley, Jr.  
G. Jackson Tankersley, Jr., as general  
partner of Centennial Holdings III, L.P.,  
general partner of Centennial Fund III,  
L.P.

## ACI ESCROW AGREEMENT

This ACI Escrow Agreement ("Agreement") is entered into as of May 2, 1996 among Prime Venture I Holdings, L.P., a Delaware limited partnership ("Holdings"), Prime Cable Growth Partners, L.P., a Delaware limited partnership ("Growth"), Prime Venture II, L.P., a Delaware limited partnership ("PVII"), Austin Ventures, L.P., a Delaware limited partnership ("AV"), William Blair Ventures Partners III Limited Partnership, an Illinois limited partnership ("WBVP"), Centennial Fund II, L.P., a Delaware limited partnership ("CFII"), Centennial Fund III, L.P., a Colorado limited partnership ("CFIII"), and Centennial Business Development Fund, Ltd., a Colorado limited partnership ("CBDF," and collectively with Holdings, Growth, PVII, AV, WBVP, CFII and CFIII, the "Sellers" and each, individually, a "Seller"), and Texas Commerce Bank National Association, as escrow agent ("Escrow Agent").

WHEREAS, Sellers are the owners of all of the issued and outstanding stock of Alaska Cable, Inc., a Delaware corporation ("ACI"); and

WHEREAS, Sellers are parties to that certain Securities Purchase and Sale Agreement of even date herewith (the "GCI Agreement") with General Communication, Inc., an Alaska corporation ("GCI"), et al., pursuant to which Sellers have agreed to merge (the "GCI Merger") ACI with and into GCI (or a wholly-owned subsidiary of GCI) in a transaction which qualifies as a tax-free "reorganization" under Section 368(a)(1)(A) of the Internal Revenue Code of 1986, as amended; and

WHEREAS, in consideration of the consummation of the GCI Merger, Sellers will receive shares of GCI's Class A Common Stock ("GCI Class A Stock") in exchange for their stock in ACI;

NOW, THEREFORE, for and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the execution and delivery hereof, Sellers and Escrow Agent hereby agree as follows:

1. Definitions. For purposes of this Agreement, "GCI Merger Closing Date" shall mean that date on which the closing of the GCI Merger occurs pursuant to the terms of the GCI Agreement.
2. Escrow Agent. Sellers appoint and designate Texas Commerce Bank National Association as escrow agent for the purposes set forth in this Agreement, and Texas Commerce Bank National Association accepts such appointment on the terms provided in this Agreement.
3. Deposit with Escrow Agent. On the GCI Merger Closing Date, (i) each Seller (other than CFII, CFIII and CBDF) shall deliver or cause to be delivered to Escrow Agent that number of shares of GCI Class A Stock equal to (A) fifty percent (50%) of the aggregate number of shares of GCI Class A Stock received by such Seller on the GCI Merger Closing Date in connection with the consummation of the GCI Merger pursuant to the GCI Agreement, less (B) the number of the Sellers' Indemnity Shares (as defined in the GCI Agreement) deposited into the Escrow Holdback (as defined in the GCI Agreement) by such Sellers pursuant to the GCI Agreement as set forth on Schedule 1A to the GCI Agreement, and (ii) CFII, CFIII and CBDF shall deliver or cause to be delivered to Escrow Agent that number of shares of GCI Class A Stock equal to (A) fifty percent (50%) of the aggregate number of shares of GCI Class A Stock received by them as a group on the GCI Merger Closing Date in connection with the consummation of the GCI Merger pursuant to the GCI Agreement, less (B) the number of the Sellers' Indemnity Shares deposited into the Escrow Holdback by CFII, CFIII and CBDF pursuant to the GCI Agreement as set forth on Schedule 1A to the GCI Agreement, (the shares of GCI Class A Stock delivered to Escrow Agent hereunder by a particular Seller being referred to as such Seller's "Deposited Escrow Shares," and all such Sellers' Escrow Shares, and all such shares being collectively referred to as the "Sellers' Escrow Shares"). Escrow Agent shall accept such Sellers' Escrow Shares, and shall hold and disburse such Sellers' Escrow Shares, in accordance with the terms of this Agreement.
4. Sellers' Representations. Each Seller represents and warrants to the others that it has no current plan or intention to sell or otherwise distribute (other than distributions to such Seller's partners; and each Seller represents and warrants to the others that it has no knowledge that any distributee partner has any current plan or intention to sell or otherwise distribute) on or after the Escrow Disbursement Date (as defined in paragraph 5(a) below) any of the shares of GCI Class A Stock received by them in exchange for their stock in ACI in connection with the GCI Merger.
5. Disbursement of Sellers' Escrow Shares. Escrow Agent will disburse to each Seller such Seller's Deposited Escrow Shares on that date (the "Escrow Disbursement Date") which is one year and five days after the Closing Date.

6. Rights, Duties and Liabilities of Escrow Agent.

(a) Escrow Agent assumes no responsibility for the validity or sufficiency of any document or paper or payment deposited or called for under this Agreement except as may be expressly and specifically set forth in this Agreement, and the duties and responsibilities of Escrow Agent under this Agreement are limited to those expressly and specifically stated in this Agreement.

(b) Escrow Agent will not be personally liable for any act it may do or omit to do under this Agreement as such escrow agent while acting in good faith and in the exercise of its own best judgment, and any act done or omitted by it pursuant to the written advice of its counsel will be conclusive evidence of such good faith unless, in any event, the same constitutes gross negligence or willful misconduct. Escrow Agent will have the right at any time to consult with its counsel upon any question arising under this Agreement and will incur no liability for any delay reasonably required to obtain the advise of counsel.

(c) Other than those notices or demands expressly provided in this Agreement, Escrow Agent is expressly authorized to disregard any and all notices or demands given by Sellers or by any other person, firm or corporation, excepting only orders or process of court, and Escrow Agent is expressly authorized to comply with and obey any and all final process, orders, judgment, or decrees of any court, and to the extent Escrow Agent obeys or complies with any thereof of any court, it will not be liable to any party to this Agreement or to any other person, firm or corporation by reason of such compliance.

(d) In consideration of the acceptance of this Agreement by Escrow Agent, Sellers jointly and severally agree, for themselves and their respective successors and assigns, to promptly pay Escrow Agent its fee and its reasonable costs and expenses (including court costs and the reasonable fees of its attorneys, accountants and other consultants and professionals) incurred by it in connection with its services as escrow agent as contemplated by this Agreement. As among themselves, Sellers agree that they will be responsible for such fee and expenses on a pro rata basis based upon each Seller's portion of the Sellers' Escrow Shares. Escrow Agent's fee will be \$1,250. Such sum is intended as compensation for Escrow Agent's ordinary services as contemplated by this Agreement. In the event that Escrow Agent renders services not provided for in this Agreement, Escrow Agent will be entitled to receive from Sellers reasonable compensation and reasonable costs for such extraordinary services, and such compensation and costs will be borne by Sellers on a pro rata basis as provided above.

(e) Escrow Agent will be under no duty or obligation to ascertain the identity, authority or right of any Sellers (or their agents) to execute or deliver or purport to execute or deliver this Agreement or any certificates, documents or papers or payments deposited or called for or given under this Agreement.

(f) Escrow Agent will not be liable for the outlawing of any rights under any statute of limitations or by reason of laches in respect of this Agreement or any documents or papers deposited with Escrow Agent.

(g) In the event of any dispute among the parties to this Agreement as to the facts or as to the validity or meaning of any provision of this Agreement, or any other fact or matter relating to this Agreement or to the transactions among Sellers, Escrow Agent is instructed that it will be under no obligation to act, except in accordance with this Agreement or under process or order of court or, if there be no such process or order, until it has filed or caused to be filed an appropriate action interpleading Sellers and delivering the Indemnity Escrow Shares (or the portion thereof in dispute) to such court, and Escrow Agent will sustain no liability for its failure to act pending such process of court or order or interpleader of action.

7. Modification of Agreement. The provisions of this Agreement may be supplemented, altered, amended, modified, or revoked in writing only, signed by all Sellers and Escrow Agent, and upon payment of all costs and expenses incident thereto.

8. Assignment of Agreement. No assignment, transfer, conveyance or hypothecation of any right, title or interest in and to the subject matter of this Agreement will be binding upon any party, including Escrow Agent, unless all costs and expenses incident thereto have been paid and then only by the assent thereto by all parties in writing.

9. Miscellaneous.

(a) All notices and communications under this Agreement will be in writing and will be deemed to be duly given if sent by registered mail, return receipt requested, personal delivery or telecopy (during the recipient's normal business hours) at the address set forth on Annex 1 attached hereto; or at such other address or telecopy number as any of the above may have furnished to the other parties in writing and any such notice or communication given in the manner specified in this Section 9(a) will be deemed to have been given as of the date received. In the event that Escrow Agent, in its sole discretion,

determines that an emergency exists, Escrow Agent may use such other means of communication as Escrow Agent deems advisable.

(b) The undertakings and agreements contained in this Agreement will bind and inure to the benefit of the parties to this Agreement and their respective successors and permitted assigns.

(c) This Agreement may be executed in one or more counterparts, each of which will be deemed an original. Whenever pursuant to this Agreement Sellers are to deliver a jointly signed writing to Escrow Agent or jointly advise Escrow Agent in writing, such writing may in each and all cases be signed jointly or in counterparts and such counterparts will be deemed to be one instrument.

(d) Escrow Agent may resign and be discharged from its duties or obligations under this Agreement by giving notice in writing of such resignation to Sellers at least 30 days in advance of such resignation (unless waived in writing by Sellers). Such resignation will be effective upon the appointment by Sellers of a successor escrow agent, which will be a federally chartered bank having combined capital and surplus of at least \$250,000,000.00; provided, that if any such appointment of any successor agent is not effectuated within 30 days of such written notice, Escrow Agent may file an action for interpleader and deposit all funds with a court of competent jurisdiction, all as provided for in Section 5(g). Any such successor escrow agent will be appointed by a written instrument mutually satisfactory to and executed by Sellers, Escrow Agent and the successor escrow agent. Any successor escrow agent appointed under the provisions of this Agreement will have all of the same rights, powers, privileges, immunities and authority with respect to the matters contemplated herein as are granted herein to Escrow Agent.

(e) Sellers hereby jointly and severally agree to indemnify Escrow Agent for, and to hold it harmless against, any loss, liability or reasonable out-of-pocket expense (including court costs and the reasonable fees of its attorneys, accountants and other consultants and professionals) arising out of or in connection with this Agreement and carrying out its duties hereunder, including the reasonable out-of-pocket costs and expenses of defending itself against any claim of liability, except in those cases where Escrow Agent has been finally determined by an unappealable order of a court of competent jurisdiction to have been guilty of gross negligence or willful misconduct. Anything in this Agreement to the contrary notwithstanding, in no event will Escrow Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including, but not limited to, lost profits), even if Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

(f) Sellers are providing Escrow Agent with their Tax Identification Number (TIN) as assigned by the Internal Revenue Service below their signatures to this Agreement. All dividends declared and paid, whether in cash or in stock, on or with respect to the Deposited Escrow Shares will be promptly delivered to the Seller who deposited such Deposited Escrow Shares and reported by the recipient to the Internal Revenue Service as having been delivered. Anything to the contrary in this Agreement notwithstanding, the Seller's Escrow Shares will at all times be owned of record and beneficially by Sellers, and Sellers will at all times have and be entitled to exercise sole voting power and, subject to paragraph 5, the power to dispose of or transfer, the Sellers' Escrow Shares.

(g) This Agreement will be governed by and construed in accordance with the law of the State of Texas without regard to its principles of conflicts of laws and any action brought under this Agreement will be brought in the courts of the State of Texas, located in Austin, Travis County, Texas. Each party hereto irrevocably waives any objection on the grounds of venue, forum non-convenience or any similar grounds and irrevocably consents to service of process by mail or in any other manner permitted by applicable law and consents to the jurisdiction of such courts.

(h) Except as otherwise specified herein, each of the parties will pay all costs and expenses incurred or to be incurred by it in negotiating and preparing this Agreement and in closing and carrying out the transactions contemplated by this Agreement.

(i) If any legal action or proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to recover reasonably attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

(j) The provisions of this Agreement shall apply to any shares or other securities resulting from any stock split or reverse split, reclassification, subdivision, consolidation or reorganization of any shares or other securities of GCI and to any shares or other securities of GCI or any successor company which may be received by any of the parties hereto by virtue of their respective ownership of any shares of the Sellers' Escrow Shares.

